SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1965

No. 73

UNITED STATES, Appellant,

vs.

GRINNELL CORPORATION, ET AL.

No. 74

GRINNELL CORPORATION, Appellant,

vs.

UNITED STATES

No. 75

AMERICAN DISTRICT TELEGRAPH COMPANY, Appellant,

vs.

UNITED STATES

No. 76

HOLMES ELECTRIC PROTECTIVE COMPANY, Appellant,

vs.

UNITED STATES

No. 77

AUTOMATIC FIRE ALARM COMPANY OF DELAWARE, Appellant,

vs.

UNITED STATES

APPEALS FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF RHODE ISLAND

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E15—Memorandum from E. J. Heisley to L. J. O'Brien, dated April 17, 1957, captioned Competition Radar-Eye	6414	4549
E16—Memorandum from R. T. Warner to L. J. O'Brien, dated March 8, 1957, captioned Competition—Radar-Eye	6415	4550
E18—Memorandum from E. J. Heisley to L. J. O'Brien, dated March 6, 1957, captioned Competition—Radar-Eye	6416	4551
E19—Photostatic copy of an advertisement for the Radar-Eye Protection System as published in the Buffalo Carrier Express Newspaper, February 11, 1958	6417	4553
E23—Memorandum from A. L. Kauffman to W. W. Dooley, dated August 12, 1954, captioned Competition—Denver, Colo.	6418	4555
E28—Memorandum from W. E. Mauroschadt to E. J. Heisley, dated December 18, 1956, captioned Competition, First Camden National Bank, Camden, New Jersey	6419	4556
E-32—Memorandum from D. R. Hall to L. J. O'Brien, dated March 21, 1956, captioned Competition—Diebold Bank Alarms	6420	4557

Record fr[illegible] the United States District Court for the District of Rhode Island—Continued

	Original	Print
DEFENDANT ADT's EXHIBITS—Continued		
E-36—Memorandum from C. K. Empringham to Mr. John Stephens, dated August 30, 1955	6421	4558
E48—Memorandum from Lynne Stora to E. B. White, dated August 9, 1954, captioned Continental Can Company, Sacramento, California	6422	4559
E52—Letter from the President of ADT to the President of Holmes Electric Protective Company, dated March 27, 1947	6424	4561
E53—Letter from H. C. Ward, President, Holmes Electric Protective Company to E. A. Ward, President, ADT, dated March 26, 1947	6425	4561
E55—Memorandum from E. Turnbull to L. J. O'Brien, dated November 27, 1956, captioned "Certificate—Holdup Alarm, Minneapolis District"	6426	4562
E56—Memorandum from M. H. A. Lindsay to J. A. MacDonald, dated January 20, 1959, captioned Southdale Shopping Center, Minneapolis, Minnesota	6427	4563
E57—Memorandum from L. H. Pryor to E. Turnbull, dated June 20, 1956, captioned Electro-Watchman, Inc.	6430	4566
E58—Memorandum from L. H. Pryor to E. Turnbull, dated May 29, 1956, captioned Electro-Watchman, Inc., St. Paul, Minnesota	6432	4569
E60—Memorandum from D. R. Hall to L. J. O'Brien, dated September 2, 1958, captioned McConnell Kerr Company, Detroit, Michigan	6434	4571
E61—Contract competition report form 701 involving a prospect in Grand Rapids, Michigan	6435	4573
E69—Memorandum from R. T. Warner to L. J. O'Brien, dated April 12, 1957, captioned Competition—The Federal Burglar Alarm Company, Boston, Massachusetts	6436	4575
E70—Memorandum from R. T. Warner to L. J. O'Brien, dated January 8, 1958	6437	4575
E71—Memorandum from R. T. Warner to L. J. O'Brien, dated September 12, 1956, captioned Kennedy's Inc.	6438	4577
E72—Memorandum from N. R. Brady to R. T. Warner, dated July 25, 1956	6439	4578
E82—Memorandum from E. J. Pucci to W. Hable, dated January 18, 1963, captioned Legislation—Laws and Ordinances Passed by City Councils and State Legislatures in the Minneapolis District—Davenport—Moline	6440	4579
—Attachments—Newspaper clippings	6441	4579

Record from the United States District Court for the District of Rhode Island—Continued

	Original	Print
Defendant ADT's Exhibits—Continued		
E84—Memorandum from E. Turnbull to L. J. O'Brien, dated July 27, 1960, captioned Competition—Cedar Rapids, Iowa	6445	4581
E86—Memorandum from D. R. Hall to L. J. O'Brien, dated September 2, 1958, captioned The Columbia-Western Corporation, South Bend, Ind.	6447	4583
E89-1—Letter from C. A. Wiborg, Lumbermen's Mutual Casualty Company to the Holmes Electric Protective Company, dated January 30, 1956, captioned Stewart Warner, Inc.	6448	4584
E-89-2—Letter from E. J. Heisley to A. E. Smith, dated December 7, 1954, captioned Police Department Competition, Atlanta, Georgia	6449	4585
F16—Memorandum from the Secretary of ADT to J. A. MacDonald, dated June 24, 1963, captioned The Citizens & Southern National Bank, Atlanta, Georgia	6451	4589
F20—Memorandum from W. J. Dahl to Ray Brechbill, dated March 5, 1964, captioned Public Relations, Fire Department, Salt Lake City, Utah	6458	4597
F42—Memorandum from J. J. Hayden to J. K. Scott, dated September 23, 1963, captioned Southern Burglar Alarm Co., Atlanta, Georgia	6463	4603
F43—Memorandum from P. K. Labadie to W. C. Martin, dated April 23, 1964, captioned Competition	6464	4604
Defendant Holmes Electric Protective Company's Exhibits		
H4—Pamphlet of the Autocall-Howe Plant Protection Systems	6466	4605
H5—Letter from C. K. Empringham to Howard Stores, Inc., Brooklyn, N.Y., dated August 31, 1959	6475	4615
H11—Report by J. G. Healey, Superintendent of Shops and Supplies, on the Local Alarm Conference, held November 4, 1960 in the President's Office, dated November 4, 1960 (excerpts)	6478	4617
H16—Leaflet called "Protective Bulletin" issued by the Insurance and Protective Department, American Bankers Association, for March, 1960	6483	4619
H18-1—Letter from H. C. Ward to P. R. Webb dated April 16, 1952	6485	4622
H18-2—Memorandum from V. Wierman, Diebold, Inc., August 6, 1955	6488	4627

	Original	Print
Record from the United States District Court for the District of Rhode Island—Continued		
DEFENDANT HOLMES ELECTRIC PROTECTIVE COMPANY'S EXHIBITS—Continued		
H-23—Competition report of Holmes, dated June 9, 1961, Pittsburgh, Pa. for the protection account of the Keystone Iron & Metal Company	6490	4629
H-26—Holmes Business Form No. 640 states that Holmes was bidding against a local alarm company for the protection account of Citra Trading Corp.	6491	4630
H-30-1—Competition Report of the Holmes Electric Protective Company, dated January 3, 1963 in Philadelphia for the protection account of the Strait Advertising Company, Incorporated	6492	4631
H30-2—Letter from T. L. Weber to Bruce D. Crockett, dated August 7, 1962, captioned Competitive Activity	6493	4633
DEFENDANTS' EXHIBITS (Depositions)		
W2a—Excerpts of deposition testimony of Joseph E. Cunningham, A. P. F. Company	6494	4634
W4a—Excerpts of deposition testimony of M. I. Brod, Accurate Burglar Alarm Service	6523	4646
W5a—Excerpts of deposition testimony of Gerson Zimmerman, Ace of Spades Burglar Alarm Company	6537	4649
—Exhibits and handwritten corrections	6648	4700
W6a—Excerpts of deposition testimony of Thomas J. Smith, Alarm Engineering Company, Inc.	6660a	4708
—Exhibits A thru E	6660xxx	4754
W7a—Excerpts of deposition testimony of John W. Callaghan, Alarm Systems, Inc.	6660eee	4765
W8a—Excerpts of deposition testimony of Joseph Siegel, Alert Alarm Company	6662	4788
W9a—Excerpts of deposition testimony of George J. Kusta, Arrow Electric Protection Company	6713	4807
W10a—Excerpts of deposition testimony of Eric David, Tattle-Tale Alarms	6813	4843
W11a—Excerpts of deposition testimony of Roy Van Wagner, Autocall Company	6861	4861
—Affidavit of Roy Van Wagner, dated August 7, 1963	6905	4880
W12a—Excerpts of deposition testimony of Frank W. Houghton, Automatic Alarms	6907	4881
—Exhibits 7, 8, 13 and 14	7006	4921
W13a—Excerpts of deposition testimony of Everett A. Westphal, Bay Alarm Company	7012	4925
W14a—Excerpts of deposition testimony of Morton Baizer, Bell Burglar Alarms and Eagle Protective Company	7073	4951

	Original	Print
Record from the United States District Court for the District of Rhode Island—Continued		
DEFENDANTS' EXHIBITS (Depositions)—Continued		
W16a—Excerpts of deposition testimony of Joseph G. Wilson, Central Burglar Alarm Service and Surety Alarm Company	7166	4987
—Exhibits 1 & 2	7255	5026
W17a—Excerpts of deposition testimony of Arthur A. Schwartz, Certified Burglar Alarm Systems, Inc.	7261	5039
W18a—Excerpts of deposition testimony of Clarence W. Novak, Chicago Mercantile Police Alarm Systems	7437	5115
W19a—Excerpts of deposition testimony of James H. Coffey, Circle Alarm Corporation	7455a	5122
W21a—Excerpts of deposition testimony of Kenneth M. Holmes, Dallas Burglar Alarm Company	7458	5152
W22a—Excerpts of deposition testimony of Claude L. Carpenter, Dawn Patrol Burglar Alarm Company	7490	5166
—Exhibits 2 and 4	7565	5192
W23a—Excerpts of deposition testimony of Grant Richard Hamilton, Day & Night Burglar Alarm Company	7570	5196
Exhibit Volume IX		
W24a—Excerpts of deposition testimony of Alfred Wayne Jackson, Diebold, Incorporated	7626	5215
W25a—Excerpts of deposition testimony of R. Stafford Edwards, Edwards Company	7742	5255
W26a—Excerpts of deposition testimony of Lyle A. Vadnais, Electro Watchman, Inc.	7784	5281
W27a—Excerpts of deposition testimony of Gerald R. DeLue, Frontier Guard and DeLue, Inc.	7845	5308
W28a—Excerpts of deposition testimony of Arthur William Fruh, A. W. Fruh & Company	7916	5344
W29a—Excerpts of deposition testimony of Harry Gerber, Gerber & Company	7935	5354
W30a—Excerpts of deposition testimony of Loys C. Bridges, Greenville Avenue Patrol	7998	5378
W31a—Excerpts of deposition testimony of Milton Pierce, Guardian Alarm Company	8035	5395
W32a—Excerpts of deposition testimony of Julian C. Cohn, Robert Hall Clothes, Inc.	8097	5418
W33a—Excerpts of deposition testimony of Kenneth V. McCluskey, Howard Stores Corporation	8113	5423
W34a—Excerpts of deposition testimony of John S. Nacey, Howe Electric Company	8128	5429

Record from the United States District Court for the District of Rhode Island—Continued

	Original	Print
Defendants' Exhibits (Depositions)—Continued		
W36a—Excerpts of deposition testimony of John H. Trout, International Business Machines Corporation	8219	5459
W37a—Excerpts of deposition testimony of Gordon Dillard, Magnetic Alarm Inc.	8244	5469
W38a—Excerpts of deposition testimony of Clarence Irvin Baker, Merchants Alarm Service	8314	5491
W39a—Excerpts of deposition testimony of Russell W. Laxson, Minneapolis Honeywell Regulator Company	8399	5530
W40a—Excerpts of deposition testimony of William Baggett, Mossie Burglar Alarm Company and Mossie Electric Protection Company	8438a	5554
W41a—Excerpts of deposition testimony of Oliver Tyrrell Joy, Notifier Corporation	8438ppp	5584
—Exhibit A	8438jjjjjj	5627
W42a—Excerpts of deposition testimony of Michael Singel, Security Alarm	8440	5631
W43a—Excerpts of deposition testimony of Mary B. Nordsiek, Nordsiek Protection Service	8474	5647
W44a—Excerpts of deposition testimony of Morris J. Amsrud, Suburban Patrol Service Corporation	8491	5652
W45a—Excerpts of deposition testimony of Robert E. Leeper, United States Burglar Alarm Company, Incorporated	8501	5656
W46a—Excerpts of deposition testimony of Victor R. Zahn, Victor Burglar Alarm Company	8569	5684
W47a—Excerpts of deposition testimony of Henry A. Walters, WECO and Ace Alarm Company	8648	5722

[fol. 5809] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT XX

Exhibit 1

Interview Guide

Bleakley, Platt, Hart, & Fritz

Phase III

Identification Code_____ Interviewer_____

Type of Business_____ Date_____

Title of Respondent_____ Number of Employees_____

1. What type of electrical signalling system or other ptotective methods do you have to guard against burglary and/or fire? (After "top-of-mind" answer, probe carefully to make sure entire system has been described. Indicate with arrows where signal does for each sensing dev|ce checked.)

Burglary

Sensing Devices	Signal To
Watch clock	Proprietary station
Ultrasonic alarm	Central station
Sound detector	Telephone answering service
Electric eye	Municipal police dept. by municipal circuits
Safe cabinet	Municipal police dept. by private circuits
Door openers	Local gong
Capacitance and inductance	Other
Vibration detector	
Manual alarm	
Foil strip	
Holdup signals	
Watchmen	
Other	

Fire

Sensing Devices	Signal To
Watch clock	Proprietary station
Water flow	Central station
Pressure drop	Telephone answering service
Temperature rise	Municipal fire dept. by num. circuit
Smoke detector	Municipal fire dept. by private circuit
Gate valve	Municipal police department
Manual alarm	Local gong
Foil strip	Other
Other	

[fol. 5810]

2a. Do you buy electrical protection services from outside companies?

Yes_____ No_____

2b. What services? What companies?

3a. Have you made any changes in your electrical signalling system within the past year and a half?

Yes_____ No_____

3b. (If Yes) What were these changes?_____

*3c. Why were they made?_____

[fol. 5811]

3d. Did you consider any alternative systems?_____

3e. (If Yes) What were these systems?_____

4a. Have you made any changes in suppliers of proection services within the past year and a half?

Yes_____ No_____

*4b. Why did you make these changes?_____

4c. Did you consider any alternative suppliers when you made the change?

Yes_____ No_____

4d. (If Yes) Who were these suppliers?_____

5a. Are your presently considering any changes in your electrical protection signalling system?

Yes_____ No_____

5b. (If Yes) What are these changes?_____

[fol. 5812]

*5c. Why are you considering these changes?_____

6a. Are you presently considering any changes in your supplier of electrical protection services?

Yes_____ No_____

6b. (If Yes) What are these changes?_____

_____

_____

*6c. Why are you considering these changes?_____

_____

_____

7a. Does your present protection service make you eligible for reduction in insurance rates?_____

7b. Was this an important consideration in choosing the service?_____

_____

7c. Did you consider additional insurance as an alternative to fire and/or burglar protection?

Yes_____ No_____

8. Additional comments:

_____

_____

_____

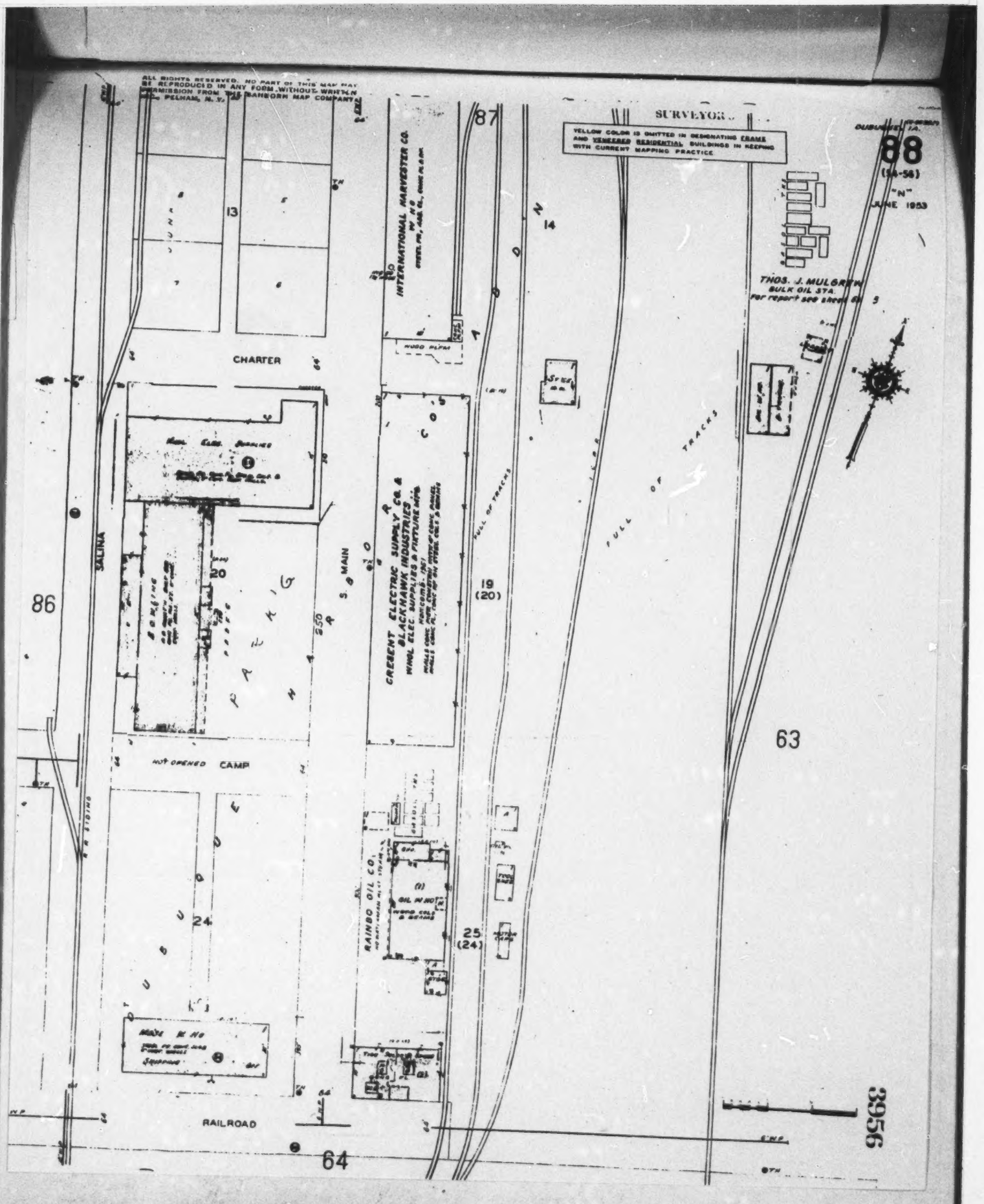
_____

* Refer to probe list

[fol. 5813]

IN THE UNITED STATES DISTRICT COURT
DEFENDANTS' EXHIBIT YY

ALL RIGHTS RESERVED. NO PART OF THIS MAP MAY BE REPRODUCED IN ANY FORM WITHOUT WRITTEN PERMISSION FROM THE SANBORN MAP COMPANY
PELHAM, N. Y.



[fol. 5815] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT ZZ

[fol. 5816] Card #1

Telephone to Fire Department
Central Station to Fire Department
Direct from your premises to Fire Department
Direct from your premises through fire alarm box to Fire Department
Local alarm summons in-plant fire fighters and Fire Department
Other, please describe

[fol. 5817] Card #2

Watchman would set off alarm to central station
Watchman would telephone police
Watchman would set off alarm to police
Watchman would set off local alarm
Entry would set off local alarm
Alarm in central station would go off with entry
Alarm in police station would go off with entry
Entry would set off alarm, alerting your own guard force
Other, please describe

[fol. 5818] Card #3

Sprinklers
Central Station
Auxiliary Alarm
Direct Connect to Fire Department
Proprietary
Watchmen:

Central Station Supervised
Clock Supervised
Unsupervised

Local Alarms
Insurance
Other, please describe

[fol. 5819] Card #4

Better protection
Protection cost savings
To obtain insurance
To decrease insurance cost
To satisfy legal requirements
Other, please describe

[fol. 5820] Card #5

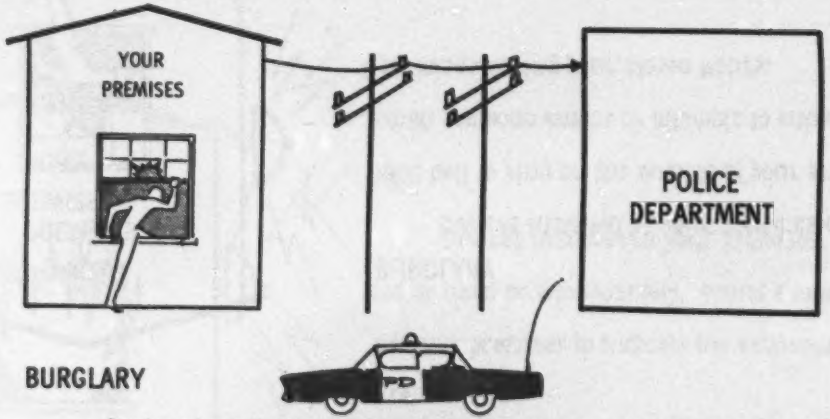
Vault or Safe
Central Station
Direct Connect to Police Department
Proprietary
Watchmen:

- Central Station Supervised
- Clock Supervised
- Unsupervised

Local Alarms
Insurance
Other, please describe

[fol. 5821]

DIRECT CONNECT OR REMOTE BURGLAR ALARM SYSTEM



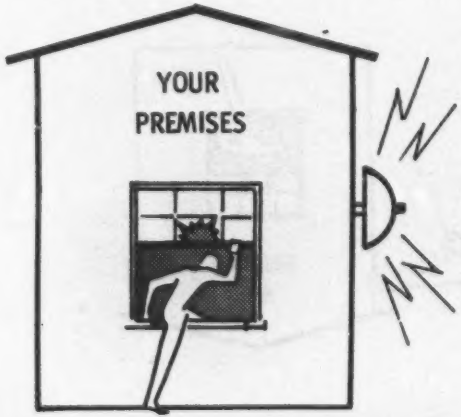
BURGLARY

Devices installed in your premises send a signal over electrical wires directly to the local police department when someone enters or attempts to enter your premises. These devices will operate at any time.

3959

[fol. 5822]

LOCAL ALARM SERVICE

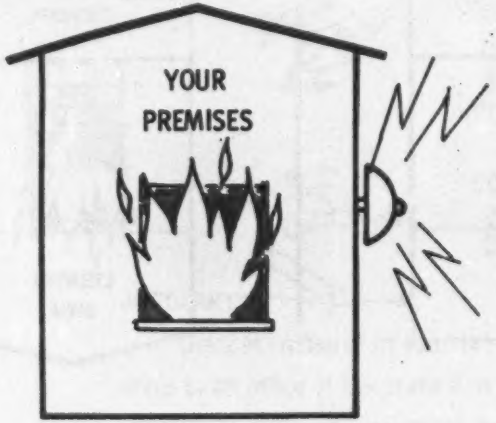


BURGLARY

Devices installed in your premises cause a loud bell to ring on the outside of your premises when someone enters or attempts to enter your premises during your closed hours.

[fol. 5823]

LOCAL ALARM SERVICE



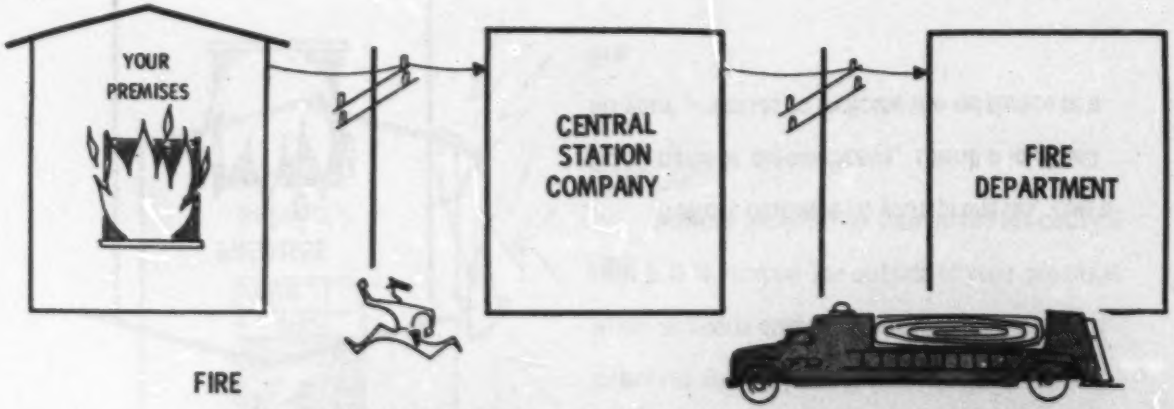
FIRE

Devices installed in your premises, operated by hand or automatically, sound a loud bell on your premises to indicate the existence of a fire.

[fol. 5824]

3962

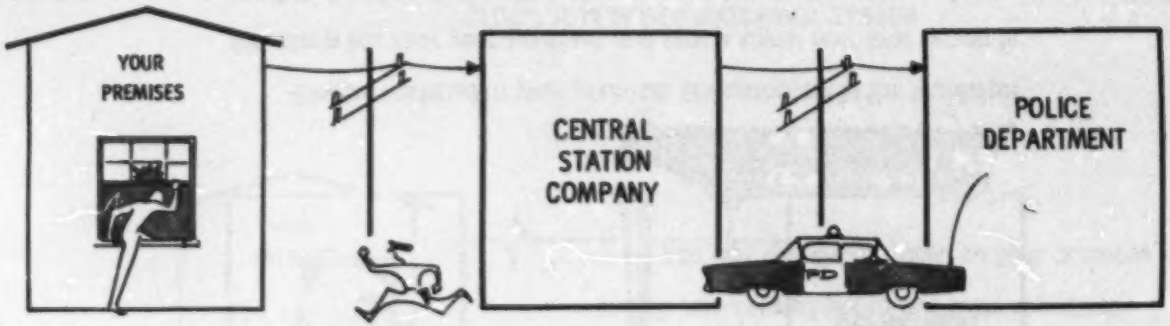
CENTRAL STATION SERVICE



Devices installed in your premises send a signal over electrical wires to an office of the protection company when there is some event on your premises which would indicate a fire. The office of the protection company receives the signal, sends its own guards to your premises and notifies the local fire department. The protection company office provides continuous service.

[fol. 5825]

CENTRAL STATION SERVICE



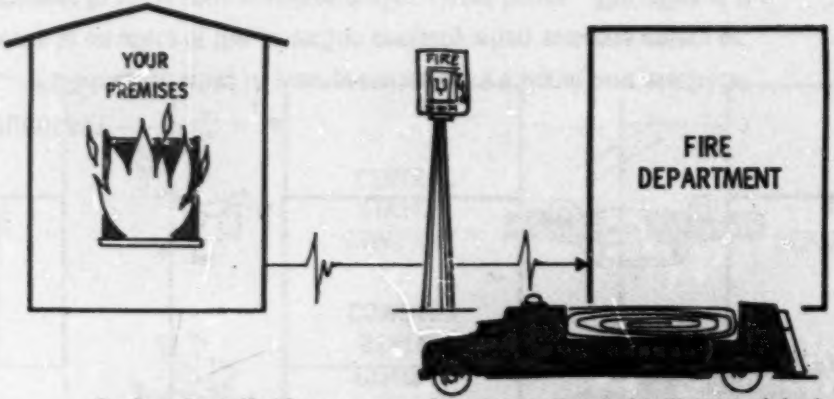
BURGLARY

Devices installed in your premises send a signal over electrical wires to an office of the protection company when someone enters or attempts to enter your premises during closed hours. The office of the protection company receives the signal, sends its own guards to your premises and notifies the local police department. The protection company office provides continuous service.

3963

[fol. 5826]

AUXILIARY ALARM SERVICE



Devices installed in your premises are connected to the municipal fire alarm box near your premises and send a signal over that system to the fire department when there is some event on your premises which would indicate a fire.

[fol. 5827]

CLOCK SUPERVISED WATCHMEN SYSTEM

You may employ watchmen on your premises during non-working hours who make scheduled rounds. During these rounds, they are required to punch devices which record the time on a tape of disk device carried by the watchmen.

3965

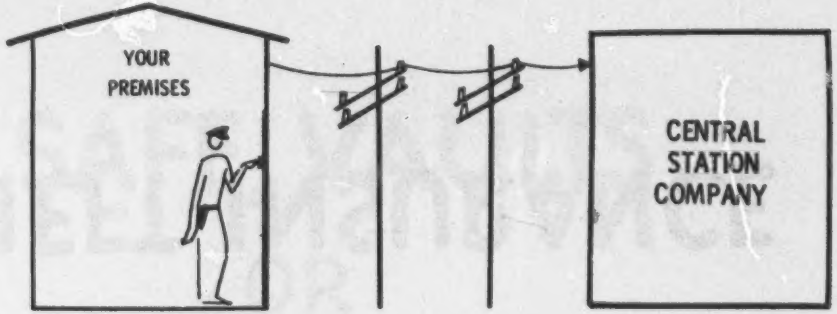
[fol. 5828]

UNSUPERVISED WATCHMEN SYSTEM

You may employ watchmen on your premises who are generally responsible for the premises. You do not supervise their rounds.

[fol. 5829]

CENTRAL STATION SUPERVISED WATCHMEN SYSTEM



You may employ watchmen on your premises during non-working hours. These watchmen are required to punch devices at various points on your premises, each of which sends a signal to a central station. If the central station does not receive a signal at predetermined intervals, they send an investigator to check your premises.

[fol. 5830]

3968

THEFT INSURANCE

SAFE, VAULTS
OR
FILE CABINETS

3969

[fol. 5832]

FIRE INSURANCE

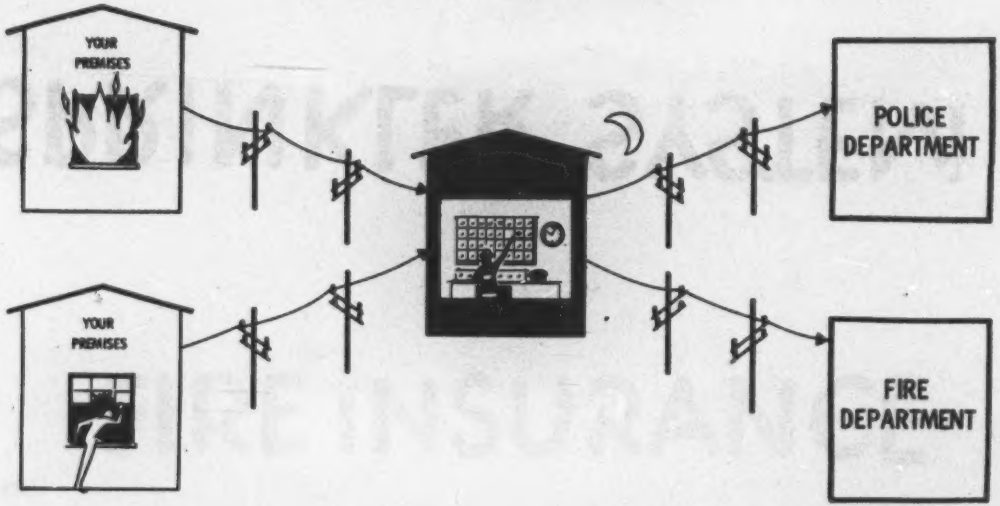
[fol. 5833]

SPRINKLER SYSTEM

3974

[fol. 5834]

TELEPHONE ANSWERING ALARM SERVICE

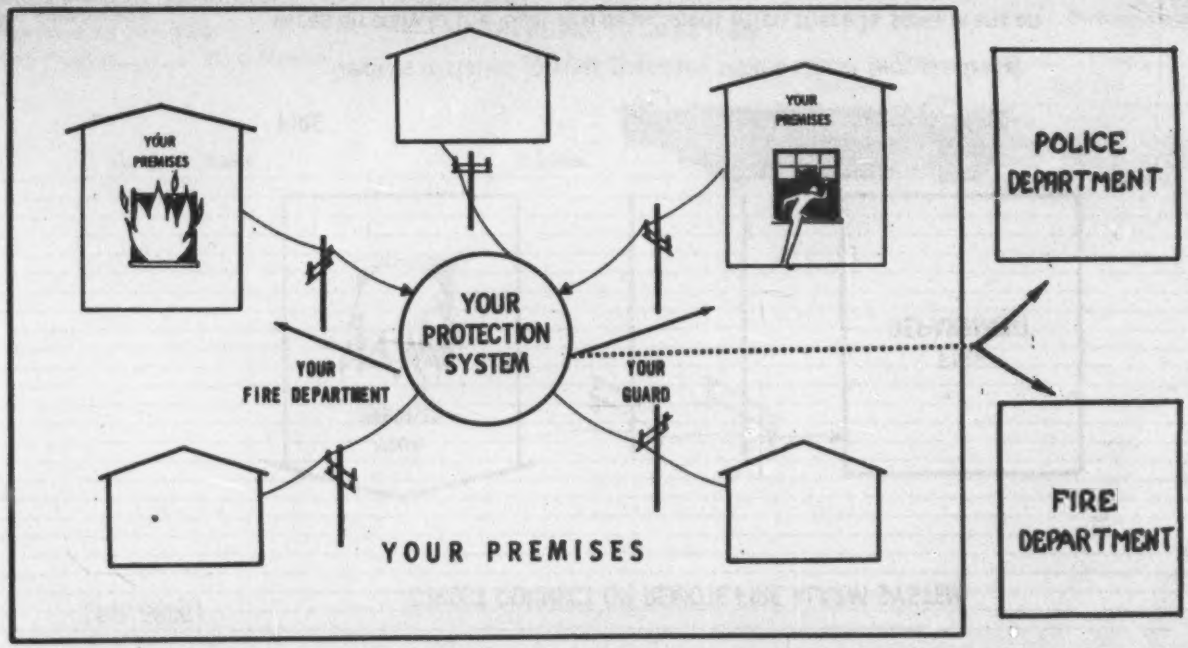


Devices installed in your premises send a signal over electrical wires to a telephone answering service when someone enters or attempts to enter your premises during closed hours or at any time when there is some event on your premises which would indicate a fire. Upon receiving the signal, the telephone answering service notifies the local police or fire department or other appropriate persons.

Upon receiving the signal, the telephone answering service notifies the local police or fire department or other appropriate persons.

[fol. 5835]

PROPRIETARY ALARM SERVICE

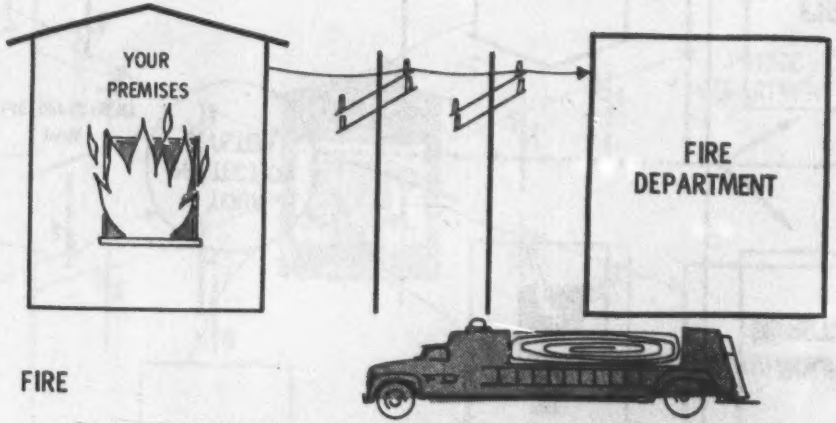


Devices installed in your premises send a signal over electrical wires to a central point, located on your premises, when there is an unauthorized entry of your premises or when there is some event on your premises which would indicate a fire. The central point at which the signal is received is supervised by one of your employees and the protective system is owned by you.

3973

[fol. 5836]

DIRECT CONNECT OR REMOTE FIRE ALARM SYSTEM



Devices installed in your premises send a signal over electrical wires directly to the local fire department when there is some event on your premises which would indicate a fire.

[fol. 5837]

Audits & Surveys Company, Inc.
640 Fifth Avenue
New York 19, New York

Job #1232
November 1961,

Map Number_____ Block Number_____

Fire and Burglary Protection Study
Call Record Sheet

Page_____ of_____ Date_____

Company Name	Address	1st Call			2nd Call		
		Interviewed (Date)	Call Again (When)	Refusal (Date)	Interviewed (Date)	Call Again (When)	Refusal (Date)

3975

[fol. 5838] Audits & Surveys Co., Inc.

November 1961.

Fire and Burglary Protection Systems

Central Station Service

Buglary—

Devices installed in your premises send a signal over electrical wires to an office of the protection company when someone enters or attempts to enter your premises during closed hours. The office of the protection company receives the signal, sends its own guards to your premises and notifies the local police department. The protection company office provides continuous service.

Fire—

Devices installed in your premises send a signal over electrical wires to an office of the protection company when there is some event on your premises which would indicate a fire. The office of the protection company receives the signal, sends its own guards to your premises and notifies the local fire department. The protection company office provides continuous service.

Local Alarm Service

Burglary—

Devices installed in your premises cause a loud bell to ring on the outside of your premises when someone enters or attempts to enter your premises during your closed hours.

Fire—

Devices installed in your premises, operated by hand or automatically, sound a loud bell on your premises to indicate the existence of a fire.

Telephone Answering Alarm Service

Devices installed in your premises send a signal over electrical wires to a telephone answering service when someone enters or attempts to enter your premises during closed hours or at any time when there is some event on your premises which would indicate a fire. Upon receiving the signal, the telephone answering service notifies the local police or fire department or other appropriate persons.

[fol. 5838a] Direct Connected or Remote Service

Burglary—

Devices installed in your premises send a signal over electrical wires directly to the local police department when someone enters or attempts to enter your premises. These devices will operate at any time.

Fire—

Devices installed in your premises send a signal over electrical wires directly to the local fire department when there is some event on your premises which would indicate a fire.

Auxiliary Alarm Service

Devices installed in your premises are connected to the municipal fire alarm box near your premises and send a signal over that system to the fire department when there is some event on your premises which would indicate a fire.

Proprietary Alarm Service

Devices installed in your premises send a signal over electrical wires to a central point, located on your premises, when there is an unauthorized entry of your premises or when there is some event on your premises which would indicate a fire. The central point at which the signal is received is supervised by one of your employees and the protective system is owned by you.

Central Station Supervised Watchmen Service

You may employ watchmen on your premises during non-working hours. These watchmen are required to punch devices at various points on your premises, each of which sends a signal to a central station. If the central station does not receive a signal at predetermined intervals, they send an investigator to check your premises.

Clock Supervised Watchmen Service

You may employ watchmen on your premises during non-working hours who make scheduled rounds. During these rounds, they are required to punch devices which record the time on a tape of disk device carried by the watchmen.

Unsupervised Watchmen Service

You may employ watchmen on your premises who are generally responsible for the premises. You do not supervise their rounds.

[fol. 5839] Audits & Surveys Company, Inc.
640 Fifth Avenue
New York 19, New York

November, 1961.

Fire and Burglary Protection Study

Interviewer's Instructions

All interviewing on this study has to be done in *three* days; November 20 through November 22. We haven't set any quotas, but hope that you will do your best to complete as many interviews as possible. Please study the questionnaire and the instructions carefully so that your interviews run smoothly.

You will interview executives—office managers, plant managers—in all business establishments and superintendents in all multiple dwelling units in 3 small areas of Dubuque assigned to you. Let's discuss what these areas are,

what is meant by a business establishment, and what people are to be interviewed.

Each of the three areas you will be assigned is represented by a Sanborn map. A copy of one of the maps is attached. (Please have a good look at it.) It is a plan of a small area of Dubuque consisting of several blocks. The names of the streets, the names of the major establishments, railroad tracks, and many other things are pictured on the map. You may disregard details for instance, water mains. Things that are important to you are:

1. *Map Number* which appears in bold numbers in one of the corners of the map. The number of the attached map is 88.
2. *Block Numbers* which appear opposite the blocks; or group of blocks. The block number of the group of blocks in the upper left corner of the attached map is 13. (It is delineated by Salina St., Charter St., Main Street, and the upper boundary of the map.)

[fol. 5840] 3. *Names Of The Streets* which indicate the exact location of the area pictured on the map.

Your supervisor and Mr. Andrew Rouse will answer any questions you may have about the Sanborn maps. Let us mention one more thing—the large numbers that appear in the middle of the map's boundaries are not block numbers but numbers of the adjacent maps. On the enclosed map, these numbers are 87, 63, 64, and 86.

What Blocks, Buildings, Establishments are to be Visited:

Your supervisor will assign three maps to you, one for each of the three interviewing days. You should begin interviewing shortly after 9 AM. Plan your route the night before. Select any one of the four corners of the area as a starting point, then chart your route so that you will cover all blocks on the map in a systematic way. Be sure to visit every block in the area, every building or structure on a block, and every business establishment in a building. There are a few exceptions. You *don't* have to visit:

Single family dwelling units.

Multiple dwelling units (structures with 10 or less

dwelling units).
Churches.
Offices of professionals—doctors, lawyers, accountants.

But you have to visit:

All business establishments—plants, work shops, warehouses, retail stores, banks, offices, hotels, hospitals, clubs, service stations, etc.
All multiple dwelling units (buildings with more than 10 dwelling units).
Schools.

[fol. 5841] Do not forget that there may be more than one business establishment in some buildings. Actually you have to go from floor to floor and visit all establishments unless you are absolutely sure that the entire building or group of buildings is occupied by the same company.

It is also important to remember that some of the Sanborn maps may be several years old. The enclosed map was prepared in 1953 and may not have been revised since then. Some blocks may have been split into two or more blocks; new structures may have arisen on the space that appears to be blank on the map. Be sure to go into every street regardless of whether or not it appears on the map.

Whom to Interview:

In multiple dwelling unit structures with more than 10 dwelling units, interview the superintendent. The same rule applies to schools, hotels, motels, clubs. In plants, ask for plant manager or plant superintendent. In larger plants, there is, probably, someone under the plant manager who is concerned with fire and burglary protection. This man may be of more help than the plant manager. In stores, shops, work shops, service stations, ask for proprietor or manager. In offices, ask for office manager. In larger offices, again, there may be someone under the office manager who knows more about fire and burglary protection than the office manager. However, let the office manager decide whom you should interview.

Note: We would appreciate your letting us know about your experience with various establishments. The last

page of the questionnaire provides room for all comments you care to make about your experience on this study.

Is It Better to Interview All Establishments in Only One or Two Areas or to Interview Some Establishments in All Three Areas?

The areas you and other interviewers have to visit may be quite different. One area may consist entirely of single family dwelling units. Some other area, on the other hand, may consist entirely of office buildings or plants. Not a single interview may be necessary in the first case and hundreds of interviews may be necessary in the second [fol. 5842] case. (Of course, both cases are extremes.) The maps indicate the types of structures in areas covered. Nevertheless, it is difficult to foresee the numbr of interviews that you or other interviewers would have to make to complete an area. Anyhow, it is more important to us that you finish an area completely rather than start in all three areas assigned to you but do not complete any one of them.

As a rule, select an area out of the three areas assigned to you which looks most difficult. Start with these areas first. Do not go to any other area before you complete it, even if it takes two, or all three days.

How Many Call-Backs Should You Make?

It may happen that the person you have to interview asks you to come some other time. Please come back to see him even if he asks you to come some other day. Provided, of course, that this other day is one of the three interviewing days. However, do not go back more than once.

Record each visit on Call Record Sheet. Record name and address of the company (or the establishment, or school) or indicate that the building was an apartment house. Record only those buildings or establishments that qualify to be interviewed. Record date of the first visit and the result of the first visit—the respondent was interviewed (write in date), asked to come back (write in date and time when you have to go back), refused. If the respondent or someone else asked you to come back, record the result of the second visit in the same way as you record

the results of the first visit. However, do not call back for the second time.

Questionnaire

Do not forget to put down the *map number, block number, address of the building* and the name or the type of establishment you have interviewed. (By "establishment" we mean any building or any occupant of a building that qualifies to be interviewed.)

[fol. 5843] Questions 1, 2 and 3

An establishment you visit may be one of many establishments a company, say, a manufacturing concern, may have in the country, in Dubuque, or in the area delineated by the map. It is very important that:

1. The information you get refers only to the establishments or buildings the company has in the area delineated by the map and not to any one establishment or building that is outside of this area. Please be sure that the respondent understands this.
2. The information you get refers to establishments or buildings a company has in the area pictured by the map that have the same kind of fire and/or burglary protection. Otherwise we will not know which protection refers to which establishment or building. Therefore, be sure to use a different questionnaire for each establishment or group of establishments (each building or group of buildings) that have a different kind of protection.

   For instance, let us assume that the respondent in an establishment you visit tells you that the company (or the school) has four buildings in the map area or occupies space in four different buildings in the area. Let's call them A, B, C, and D. Let's also assume that buildings (or spaces in buildings) A and C have the same kind of protection. You should use the same questionnaire for both buildings and treat them as one. Let's further assume that B has a different kind of protection than any

one of the other three buildings and that the same is true of D. You should use a different questionnaire for B and a different one for D.

Make sure, if this situation should occur, that each questionnaire is properly identified. Each questionnaire should have the name of the company and the [fol. 5844] address, or some identification of building to which it refers—all four buildings may have the same address.

It is important that the first questionnaire refers to the establishment or building where the interview was done and to all other buildings that have the same kind of protection. (Be sure to identify the other buildings.)

Please write down on the questionnaire all difficulties you may have experienced with Questions 1, 2 and 3.

Please use the introduction printed on the questionnaire. If you happen to use some other introduction, please write it down and let us know how it worked.

Question 4

Be sure to go carefully through the cards you will use with Question 4, and to understand what is meant by different types of protection described on these cards. We enclosed, for your information, a description of various terms used in Question 4.

In asking Question 4, let the respondent study the pictures and the text on the cards. We are sure that he will like the pictures and become more cooperative.

You may handle recording of respondent's answers in many different ways. You may look over his shoulder to see what type of protection his answers refer. You may ask him to read to you what is on the card when he gives you an answer. You may ask him to sort the cards into two piles; one pile—cards describing the types he has, the other—cards describing the types he does not have. Let us know how you handled this question.

Questions 5 to 24

We do not foresee any problems with the rest of the questionnaire. The necessary instructions are incorporated in the questionnaire. Study the questions and the instructions carefully before you start interviewing.

[fol. 5845] Materials:

You should receive from your supervisor:

1. Questionnaires.
2. These instructions.
3. A four page pamphlet describing the terminology used in Question 4 and in some other Questions.
4. Set of cards, some of them with pictures describing the types of protection we ask about in Question 4.
5. A set of flash cards.

Note: Space Is Provided at the End of the Questionnaire for Recording All Remarks the Respondent May Have Made During the Interview and for All Comments You Care to Make. Let Us Know as Much as Possible About Your Experience.

[fol. 5846]

Audits & Surveys Company, Inc.
640 Fifth Avenue
New York 19, N. Y.

November 1961.

Map Number_____
Block Number_____
Address_____
_____
Company Name_____
_____

Fire and Burglary Protection Study

Hello, I am _____ of Audits & Surveys. We study how the companies in Dubuque are protected against fire and burglary. Here is a Sanborn map; the block where your company is located is right here (Show Respondent the Block. Let Him Study the Map So That He Can Answer Q. 1)

1. Please tell me, does your company occupy space in this building only or does it also occupy space in some other buildings on *this* map?

   In this building only _____ (Skip to Q.4)

   Also in some other building(s) _____ (Ask Q.2)

2. In how many different buildings on *this* map does your company occupy space?

   Number_____

3. Does all the space in all these buildings have the same fire and burglary protection?

   Yes _____ (Ask Q.4 to Q.24 About the Premises You Are in)

   No _____ (Ask Q.4 to Q.24 Separately for Each Premise or Group of Premises. See Interviewer's Instructions)

[fol. 5847]

4. Here is a set of cards. Each card describes some different kind of fire or burglary protection a company may have. Please go through these cards one by one and tell me, for each kind of protection, whether or not this space has it. (Hand Respondent Cards Describing and Illustrating Different Kinds of Fire and Burglar Protection. Check His Answers Below)

	Premises	
	Yes	No
Sprinkler System	____	____
Central Station Fire Alarm System	____	____
Central Station Burglar Alarm System	____	____
Local Fire Alarm System	____	____
Local Burglar Alarm System	____	____
Telephone Answering Alarm System	____	____
(If "Yes," Ask:)		
Fire only	____	____
Burglar only	____	____
Both Fire and Burglar	____	____
Direct Connect or Remote Fire Alarm System	____	____
Direct Connect or Remote Burglar Alarm System	____	____
Auxiliary Fire Alarm System	____	____
Proprietary Alarm System	____	____

	Premises	
	Yes	No
(If "Yes," Ask:)		
Fire only	____	____
Burglar only	____	____
Both Fire and Burglar	____	____
Central-Station-Supervised Watchman Service	____	____
(If "Yes," Ask:)		
Fire only	____	____
Burglar only	____	____
Both Fire and Burglar	____	____
Clock Supervised Watchman System	____	____
(If "Yes," Ask:)		
Fire only	____	____
Burglar only	____	____
Both Fire and Burglar	____	____
Unsupervised Watchman System	____	____
(If "Yes," Ask:)		
Fire only	____	____
Burglar only	____	____
Both Fire and Burglar	____	____
Safe, Vaults, or File Cabinets	____	____
Fire Insurance	____	____
Theft Insurance	____	____

[fol. 5848]

5a. (If Has Sprinklers, See First Item in Q.4, Ask:) Do your sprinklers have local alarm devices associated with them which ring when a sprinkler goes off?

Yes_____ No_____

b. Do you have other local alarms?

Yes_____(Ask Q.5c) No_____(Skip to Q.6)

c. Are these manual?

Yes_____ No_____

Automatic?

Yes_____ No_____

Both?

Yes_____ No_____

6. How would help be summoned if a fire broke out? (Show Card #1. Check Below)

Telephone to Fire Department	____
Central Station to Fire Department	____
Direct from your premises to Fire Department	____
Direct from your premises through fire alarm box to Fire Department	____
Local alarm summons in-plant fire fighters and Fire Department	____
Other (Write in)_____	____

7. How would the police be notified of a burglary? (Show Card #2. Check Below)

Watchman would set off alarm to central station _____
Watchman would telephone police _____
Watchman would set off alarm to police _____
Watchman would set off local alarm _____
Entry would set off local alarm _____
Alarm in central station would go off with entry _____
Alarm in police station would go off with entry _____
Entry would set off alarm alerting your own guard force _____
Other (Write in)_____
_____
_____
_____

[fol. 5849]

8. How long have you employed your present fire protection system? (Write in)

_____

9. Have you actively investigated changing your present fire protection system?

Yes_____ (Ask Q. 10, 11 and 12)
No_____ (Skip to Q. 13a)

10. About how long ago was that? (Write in)

_____

11. What did you consider changing it to? (Show Card #3. Check below)

Sprinklers _____
Central Station _____
Auxiliary Alarm _____
Direct Connect to Fire Department _____
Proprietary _____
Watchmen:
Central Station Supervised _____
Clock Supervised _____
Unsupervised _____
Local Alarms _____
Insurance _____
Other (Write in)_____
_____
_____
_____

12. Why have you considered changing? (Show Card #4. Check below)

Better protection _____
Protection cost savings _____
To obtain insurance _____
To decrease insurance cost _____
To satisfy legal requirements _____
Other (Write in)_____
_____
_____
_____

[fol. 5850]

13a. During 1960 did you request or receive any bids or quotes on some types of fire protection other than you have now?

Yes_____ (Ask Q. 13b)
No_____ (Skip to Q. 14)

b. What types?

_____ _____
_____ _____

14. What other types of fire protection, if any, do you consider to be acceptable alternatives to the system you now use?

_____ _____
_____ _____

15. How long have you employed your present burglary protection system? (Write in)

_____

16. Have you actively investigated changing your present burglary protection system?

Yes_____ (Ask Q. 17, 18 and 19)
No_____ (Skip to Q. 20a)

17. About how long ago was that? (Write in)

_____

18. What did you consider changing it to? (Show Card #5. Check below)

Vault or Safe ____
Central Station ____
Direct Connect to Police Department ____
Proprietary ____
Watchmen:
Central Station Supervised ____
Clock Supervised ____
Unsupervised ____

Local Alarms ____
Insurance ____
Other (Write in)_____
_____
_____
_____

[fol. 5851]

19. Why have you considered changing? (Show Card #4. Check below)

Better protection ____
Protection cost savings ____
To obtain insurance ____
To decrease insurance cost ____
To satisfy legal requirements ____
Other (Write in)_____
_____
_____
_____

20a. During 1960 did you request or receive any bids or quotes or some types of burglar protection other than you have now?

Yes_____ (Ask Q. 20b)
No_____ (Skip to Q. 21)

b. What types?

_____ _____
_____ _____
_____ _____

21. What other types of burglar protection, if any, do you consider to be acceptable alternatives to the system you use now?

_____ _____
_____ _____

22a. Do you protect your business against burglary with burglar-resistant safes, vaults or file cabinets?

Yes_____ No_____

b. Do you protect your business against burglary with insurance?

Yes_____ No_____

23. How many square feet of space does your company occupy in this building (and in all other buildings which have the same kind of protection)? (Write in)

_____

[fol. 5852]

24. How many employees work for your company in this building (and in all other buildings which have the same kind of protection)? (Write in)

_____

Respondent's Name_____ Title_____

Respondent's Remarks. (Write in Below All Comments Respondent Makes Which Reflects His Attitude Toward Various Types of Protection, Interview, etc.)

Length of Interview:_____minutes

Your Comments. (Write in Below All That Crossed Your Mind During the Interview Regarding This Study. Especially Respondent's Reactions to the Interview.)

[fol. 5853]

In the United States District Court

Defendants' Exhibit AB

Q.4 By Q.23

Job 1232 Base	Codes	Total	Amount of Square Feet Occupied: 999 or less	1,000–5,999	6,000–29,999	30,000 or more	D.K. and N.A.
Number of respondents		248	33	86	66	52	11
No Answer							
Number Answering		767	68	218	235	221	25
Sprinkler System		43		3	17	22	1
Central Station Fire Alarm		16			2	14	
Central Stat. Burg. Alarm		1				1	
Local Fire Alarm		33		3	14	16	
Local Burglar Alarm		6		1	3	1	1
Telephone Ans. Alarm		1			1		
Fire		1			1		
Burglar							
Fire & Burglar							
Dir. Connect or Remote Fire Alarm		6			4	2	
Dir. Connect or Remote Burglar Alarm		3			2	1	
Auxiliary Fire Alarm System		4			3	1	
Proprietory Alarm System		2			1	1	
Fire		2			1	1	
Burglar							
Fire & Burglar							
Central-Stat.-Sup.-Watchman		5			1	4	
Fire		1			1		
Burglar							
Fire & Burglar		3				3	
Clock Supervised Watchman		7			1	5	1
Fire		2				2	
Burglar		1			1		
Fire & Burg.		4				3	1
Unsupervised Watchman		11			3	8	
Fire		1				1	
Burglar							
Fire & Burg.		9			3	6	
Safes, Vaults, File Cabinets		177	15	56	58	42	6
Fire Insurance		239	32	85	64	49	9
Theft Insurance		181	20	66	53	36	6
N.A. & D.K. & None		8	1	4	1	2	

[fol. 5854]

In the United States District Court

Defendants' Exhibit AC

Job 1232

Q.4 By Q.24

Codes	Total		Number of Employees: 1-9		10-99		100-249		250 and Over		NA	
Number of Respondents	248	100%	158	100%	78	100%	3	100%	7	100%	2	100%
No Answer												
Number of Protection Choices	767		393		309		22		34		9	
Sprinkler System	43		11		25		3		3		1	
Central Station Fire Alarm	16		2		10		2		2			
Central Stat. Burg. Alarm	1						1					
Local Fire Alarm	33		3		21		3		5		1	
Local Burglar Alarm	6		2		4							
Telephone Ans. Alarm	1				1							
Fire	1				1							
Burglar												
Fire & Burglar												
Dir. Connect or Remote Fire Alarm	6		1		5							
Dir. Connect or Remote Burglar Alarm	3				3							
Auxiliary Fire Alarm System	4		1		2				1			
Proprietory Alarm System	2				2							
Fire	2				2							
Burglar												
Fire & Burglar												
Central-Stat.-Sup.-Watchman	5				1		2		2			
Fire	1				1							
Burglar												
Fire & Burglar	3						2		1			
Clock Supervised Watchman	7				4				2		1	
Fire	2				1				1			
Burglar	1				1							
Fire & Burg.	4				2				1		1	
Unsupervised Watchman	11		2		7				1		1	
Fire	1				1							
Burglar												
Fire & Burg.	9		1		6				1		1	
Safes, Vaults, File Cabinets	177		101		67		3		5		1	
Fire Insurance	239		151		77		3		6		2	
Theft Insurance	181		112		63		3		3			
None, D.K. & N.A.	8		6		2							

[fol. 5855]

In the United States District Court

Defendants' Exhibit AD

Q.4 By Type of Business Establishment

Job 1232

		Types of Establishments												
		Total	Retail—Except For Jewelry and Fur Stores	Jewelry Stores	Fur Stores	Wholesale Warehouse	Wholesale Sales Office	Manufacturing	Department or Variety Stores	Schools	Hospitals and Nursing Homes	All other Institutions	All other Wholesale	All Other
	Codes	1–12	1	2	3	4	5	6	7	8	9	10	11	12
Number of Respondents		248	100	1	1	10	8	33	1	12	2	9	20	51
No Answer Number Answering		767	257	3	4	39	26	136	4	42	9	36	62	149
Sprinkler System		43	8			3	2	13			1	3	4	9
Central Station Fire Alarm		16	1			2	1	7					1	4
Central Stat. Burg. Alarm		1						1						
Local Fire Alarm		33	7			2		10		4	2	1	4	3
Local Burglar Alarm		6	1				1	1				2	1	
Telephone Ans. Alarm		1						1						
Fire		1						1						
Burglar														
Fire & Burglar														
Dir. Connect or Remote Fire Alarm		6						2				1	2	1
Dir. Connect or Remote Burglar Alarm		3			1							1	1	
Auxiliary Fire Alarm System		4	1						1	2				
Proprietary Alarm System		2				1		1						
Fire		2				1		1						
Burglar														
Fires & Burglar														
Central-Stat.-Sup.-Watchman		5				1		3					1	
Fire		1											1	
Burglar														
Fire & Burglar		3						3						
Clock Supervised Watchman		7				1		4		2				
Fire		2				1		1						
Burglar		1						1						
Fire & Burg.		4						2		2				
Unsupervised Watchman		11	2			2				2	2	3		
Fire		1				1								
Burglar														
Fire & Burg.		9	2			1				2	2	2		
Safes, Vaults, File Cabinets		177	61	1	1	6	7	27	1	8		8	14	43
Fire Insurance		239	98	1	1	10	8	32	1	11	2	9	18	48
Theft Insurance		181	73	1	1	7	7	24	1	9		6	13	39
None N.A. D. K.		8	3					1					2	2

[fol. 5856] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AE

New York, November 23, 1960.

District Sales Managers and Representatives

Form 701; Competitive Reports

Previous instructions under this heading have been very clear: no contract that is substandard in price because of competitive activity will be approved at the Executive Office *unless it is accompanied by a form 701,* prepared in accordance with existing instructions.

We have also requested that forms 701 be sent to the Executive Office for jobs that are *lost* to competition. This means all types of competition—Central Station, Direct-Connected, Local and Proprietary. Please be advised that *this information is acutely important to us,* and must be submitted promptly when any job is taken by competition.

L. J. O'Brien, General Sales Manager.

ph

[fol. 5857] New York, August 29, 1960.

Mr. F. Carr
Assistant Manager, Sales Administration

For your information, This letter was sent to all District Sales Managers.

L. J. O'B.

Form 701; Competitive Report

It is quite obvious that compliance with previous instructions regarding the use of form 701, Competitive Report, would have obviated almost completely the need to compile additional information in the current pricing investigation.

Please be advised that, henceforth, no contract that is substandard in price due either to competitive action or general price resistance will be considered for Executive Office approval unless it is accompanied by a form 701, prepared in accordance with existing instructions. Contracts received here without this form attached will be returned to district sales managers for further action.

If a contract is sub-basic, that fact should be noted on the form 400, by one of the two following statements:

> Sub-basic because of competitive action. See attached form 701 for complete detail.
>
> or
>
> Sub-basic because of price resistance. See attached form 701 for complete detail.

We wish also to reiterate that it is essential also that forms 701 be completed and sent to this office for jobs that are lost to competition, and thus never submitted to the Executive Office.

ph L. J. O'Brien, General Sales Manager.

[fol. 5858] New York, August 7, 1959.

District Sales Managers and Representatives

Form 701—Competition Report

Attached is a copy of a letter sent to you on December 2, 1957. Unfortunately, the instructions contained in that letter are all too often ignored, particularly with respect to jobs lost to competition.

The information we require is, in the long run, designed to help *you*. Henceforth, it *must* be supplied in *all cases where competition is involved*. No exceptions to this requirement will be accepted.

Forms 701 are to be submitted to this office attached to contracts and their supporting forms.

L. J. O'Brien, General Sales Manager.

ah

Attach.

[fol. 5859] New York, December 2, 1957.

District Sales Managers and Representatives

Form 701—Competition Report

The stability and growth of our Company are affected by many factors, one of the most important of which is competition. Current instructions call for prompt submission to this office of a form 701 in every instance where a contract is taken, or lost, in the face of competition. While some districts and some sales representatives consistently adhere to these instructions, unfortunately others do not.

Without data on the various factors of competition, we cannot cope with the problem effectively, nor can we help you in this vital area as much as we would wish to. In the long run, it is only through cooperation at all levels that we can assure continuing development of our sales potential.

Form 701 is of real value only when enough of them are received to supply us with means of detecting competitive trends and means to meet them. *Henceforth, the form must be submitted in every situation where competition is involved.* A mere statement of the form 401 commenting on some aspect of competition affecting the attached contract will not be sufficient. Form 701 must accompany all such submissions.

L. J. O'Brien, General Sales Manager.

[fol. 5860] Sent to All District Sales Managers

April 4, 1956.

Mr. ——, ——, District Sales Manager

Form 701—Competition Report

In recent months we have had strong competition in many of our cities, and it is becoming increasingly important to us to know the extent of our competitors' activity throughout the country. The New York office wants to be in a position to give all the assistance and guidance necessary to the areas confronted with this problem. The

intent of this office is to impress upon our field sales forces the importance of securing all of the information possible about the competition in their territories.

Certain territories within some of the districts have been submitting the Form 701, Competition Report, fairly regularly, whether contracts are taken or lost in the face of competition. However, we are wondering if some others who are also confronted with this same situation are overlooking the importance of sending a report to this office. Since we rely almost solely on the sales representative to pursue the competition matter when he is faced with it; we also depend on him to send us the most complete information possible by preparing the Form 701. We cannot stress the use of this form too much, as it furnishes us with specific facts, which we are able to record and make a comparative rate study.

This competition problem is far too varied and complex to set up one set of rules, as each area must be studied from the point of view of its particular facts involved.

L. J. O'Brien, General Sales Manager.

DP

[fol. 5861] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT AF

GENERAL SERVICES ADMINISTRATION
Washington 25, D. C.

January 2, 1963.

Robert L. Conkling, Esq.
Bleakley, Platt, Schmidt, Hart & Fritz
120 Broadway
New York 5, New York

Dear Mr. Conkling:

Reference is made to your letter of December 28, 1962, which is herein acknowledged.

The General Services Administration is of the opinion that it has fully complied with its commtments to counsel arising out of previous correspondence and the meeting of

May 29, 1962. In view of the fact that we have made serious effort to provide to counsel all information available within the limitations specified, it is our feeling that by honoring any further request we would be broadening the scope of the aforesaid agreement and in effect rendering it meaningless to the ultimate detriment of the United States in terms of manhour and fund expenditures.

In conclusion, it is our position that GSA has in fact and in spirit complied with the court's instructions in this regard.

Sincerely yours, William H. Brewster,
Acting General Counsel.

[fol. 5862] December 28, 1962.

J. E. Moody, Esq.
Acting General Counsel
General Services Administration
Washington 25, D. C.

Re: United States v. Grinnell Corporation, et al.

Dear Mr. Moody:

I have received and thank you for your letter of December 14, 1962. I regret that you have drawn inferences from my letter which was intended only to state our desire to learn as quickly as possible all of the facts necessary to enable us to convey to the Court an adequate picture of the GSA market for protective services.

Perhaps it would make for better understanding all around if we could have a copy of the stenographic minutes made of the May meeting to which you refer. A copy was requested and promised at the time but we have not received it. May we have one?

You, as an attorney, realize, I know, the heavy burdens resting upon all parties to litigation to marshall and present to the Court all of the facts reasonably believed to be essential in order that a just result may ultimately be reached. This is our aim, no more and no less.

It may be that what else is needed may be obtained on the taking of the oral depositions of GSA officials now in

advance, with the GSA letters of November 23rd and December 14th serving as a foundation. On the other hand, it may be desirable and possible to forego such oral testimony if all the essential facts can be adequately set forth [fol. 5863] in a series of written statements. We have been and are and will remain ready to accomplish this task in the most reasonable manner, with the least possible burden in time, effort and money to all concerned.

As a foremost example of facts yet unknown by us, of vital importance to the case, is the amount of money spent by the Government (the GSA segment, as far as you and we are concerned) in each of the last 5 years for each of the various kinds of protective service utilized, as you have already told us with respect to guard service costs for fiscal 1961. It could then be determined what share of these expended protective dollars was earned by the defendants. Hopefully, by being informed of the amounts so spent in Region 5, a valid conclusion might be drawn as to the total amount spent throughout the nation, and the defendants' share thereof. There are other examples of importance but I think this may already be enough to enable you to grasp fully our problem and our concern.

We request your continued courtesy and cooperation, with assurances of ours in return, and await your reply.

Sincerely yours, ——, ——.

RLC:moc

Copy sent today to Noel E. Story, Esq.
RLC, 12/28/62.

[fol. 5864] GENERAL SERVICES ADMINISTRATION
Washington 25, D. C.

December 14, 1962.

Mr. Robert L. Conkling, Esq.
Bleakley, Platt, Schmidt, Hart & Fritz
120 Broadway
New York 5, New York

Dear Mr. Conkling:

Receipt of your letter of December 10, 1962, regarding data relating to GSA operated-Government owned buildings in GSA's Region 5, is herein acknowledged.

We again affirm the representations made in affidavits dated February 13, 1962, which were sworn to by Mr. Brewster and Mr. Alexander and take exception to any intended inference that facts contained therein were not accurate. As represented in those affidavits a GSA inventory dated September 30, 1961 listed 9,291 buildings that were, to one degree or another, under the management, supervision, or control of GSA. The breakdown on the 9,291 figure is as follows:

1.	Government owned, GSA operated and maintained	643
2.	Maintenance and repair only (P. O. Bldgs.)	2,850
3.	Leased (a) GSA operated	285
	(b) Owner operated	5,494
4.	Purchase-contract space	19
		9,291

On May 29, 1962, a conference was held in the office of Mr. Brewster in Washington, D. C. The minutes of that conference reflect that your firm was represented by yourself, Mr. Frank Fritz, Esq., and Mr. Averill Williams, Esq. Also in attendance were Messrs. Noel Story, Esq. and Robert Levy, Esq., Justice attorneys. GSA was represented by Messrs. Henry Pike and Brewster of the Office of General Counsel, and Messrs. William Alexander and Harold Nelson of the Protection Division. The minutes further reflect that in colloquies between yourself, Mr. [fol. 5865] Fritz, Mr. Story, and Mr. Alexander the distinctions between GSA-operated - Government-owned buildings and buildings which GSA leased or buildings in which GSA merely had maintenance and repair responsibilities were clearly drawn by Messrs. Story and Alexander. Those minutes and your letter of June 5, 1962, and our reply of June 13, 1962, leave no doubt that there was a mutual understanding that GSA would only furnish information regarding GSA-operated - Government-owned buildings in Region 5. Messrs. Alexander and Nelson stated at that conference that GSA-operated 646 Government-owned buildings, therefore, the base figure would be 646 and not 9,291. This figure (646), as you recall, was taken from an inventory dated December 31, 1961. At the date of

that inventory there were 60 GSA-operated - Government-owned buildings in Region 5. The 5 building difference in our report of November 23, 1962, and the inventory of December 31, 1961, represents facilities disposed of or in the process of disposal at the date of Region 5's compilation for transmittal to you.

Set forth below are specific responses to your inquiries 1, 2, and 3:

1. It is difficult to describe any GSA region as typical. As you may recall and as the minutes of the May 29, 1962, conference reflect, Mr. Alexander advised you that Region 5 and Region 2 were two of the larger regions and, therefore, could not be considered "representative." Mr. Fritz of your office stated that you would prefer a Region which contained both large and medium cities. In fact, the whole problem of obtaining a representative region was thoroughly explored in that conference and in the final analysis the choice was left to your firm. For whatever reason, your firm selected Region 5. Nonetheless, Mr. Fritz did state at the conference that 646 buildings and 104 million square feet would give you something that could be projected.
2. The number of buildings specified was 646, that is 646 GSA-operated - Government-owned (1/10 of 646 — 64.6). Considering the five facilities not reported because they were disposed of or being disposed of, Region 5 would have approximately the average number of GSA-operated - Government-owned buildings.
3. The history of our negotiations in this matter and the minutes of the conference of May 29, 1962, will fully substantiate GSA's complete cooperation with counsel. Again, we must reiterate that you selected Region 5 after there had been full and candid [fol. 5866] discussion of the various categories of buildings, the distinctions between the lessor's responsibility to provide protective services and GSA's responsibilities, the differences inherent in each Region, etc. At least 100 manhours were expended by GSA in an attempt to cooperate and provide the information mutually agreed upon. Ac-

cordingly, GSA feels that it complied in fact and in spirit with the court's instructions and submits that this position is completely documented.

In line with Mr. Fritz's concept of projection we suggest that the following formula might assist in protraction:

Total area of GSA-operated - Government owned facilities ÷ area of facilities reported

or

103,844,266 ÷ 15,491,978

The total square feet reported to you by our letter of November 23, 1962 was 14,751,978. Through inadvertance we did not report the square feet contained in the Ford Building, 7401 South Cicero Avenue, Chicago, Illinois. The square footage in this facility is 740,000. Therefore, the total square footage reported is 15,491,978.

We trust that there now exists a mutual understanding of what was agreed to and what was reported by our letter of November 23, 1962.

Sincerely yours, J. E. Moody, Acting General Counsel.

[fol. 5867] BLEAKLEY, PLATT, SCHMIDT, HART & FRITZ
120 Broadway
New York 5, N. Y.

Cable Address
Platfield

Tel. Rector 2-2000

December 10, 1962.

Mr. Bernard L. Boutin
Administrator
General Services Administration
Washington 25, D. C.

Re: United States v. Grinnell Corporation, et al.

Dear Mr. Boutin:

I acknowledge receipt of your letter of November 23, 1962 setting forth "data relating to G.S.A. operated, Government-owned buildings in G.S.A.'s Region 5."

It seems surprising that there are only fifty-five (55) buildings and facilities, as set forth in your letter, located in Region 5 comprising the states of Wisconsin, Michigan, Illinois, Indiana, Kentucky and Ohio, and I wish to clarify, therefore, whether we have a mutual understanding of the information (1) requested and (2) furnished, in accordance with the Court's instructions.

You are aware that those instructions were to "Go down and see what you can work out in the way of a sampling process which will somehow convey an adequate picture." (Transcript, p. 87).

In the booklet dated August, 1960 entitled "Protection—Activities—Methods—Objectives" issued by G.S.A. (PES), it is said that "over 150 million square feet of space in 10,000 buildings" is protected in one way or another against loss of life and property by fire, burglary and other hazards. In the affidavits of Mr. Brewster (made for and in your behalf) and Mr. Alexander, sworn to February 13, 1962, filed with the Court in support of the Government's Motion to Quash our subpoena duces tecum, it is [fol. 5868] attested that:

> "The Office of the Comptroller, G.S.A., on September 30, 1960 published an inventory which lists some 9,291 buildings that are, to one degree or another, under the management, supervision or control of the G.S.A. It is presumed that most of the 9,291 buildings fall within the broad language of the subpoena, since either guards, firefighting devices, fire alarms, intrusion alarms, physical barriers, or a combination thereof are utilized to some extent in each building."

With the above in mind, and having in mind also the purpose indicated by the Court that we cooperate in an effort to arrive at a point where a satisfactory stipulation might be made as to the total amount of dollars spent by the Government, through G.S.A., for its own account or the account of other governmental agencies, for protective services, the various types of services utilized and to whom the monies were paid, we inquire:

1. Whether Region 5 is in fact typical of the 10 G.S.A. regions?

2. If so, what is the explanation for the number of buildings specified not being much larger i.e. (about 1/10th of 9,291)?
3. Whether the parties to this litigation may not project the results set forth in your letter and obtain the "adequate picture" desired by the Court by multiplying those results by "169", i.e., 9291 -:- 55? If not, what is the reason and how otherwise may the necessary result be achieved?

Please advise.

Very truly yours, ——, ——.

RLC:moc

CC: Noel E. Story, Esq.

[fol. 5869] GENERAL SERVICES ADMINISTRATION
Washington 25, D. C.

November 23, 1962.

Mr. Robert L. Conkling
Bleakley, Platt, Schmidt, Hart and Fritz
120 Broadway
New York 5, New York

Dear Mr. Conkling:

Subject: United States v. Grinnell Corporation, et al.

Pursuant to instructions of the United States District Court of Massachusetts issued on April 4, 1962, and our agreement of May 29, 1962, based upon those instructions, set forth below is data relating to GSA operated, Government-owned buildings in GSA's Region 5.

U. S. Post Office and Court House, Benton, Illinois

This building, located in the downtown section, was built in 1959. It has an area of *20,992* square feet and is used for the handling of the mail, courtrooms, and offices. The building is equipped with a local, manual fire alarm system, manufactured by the Howe Electric Company. This system was installed at the time of construction and there have

been no additional alarm systems installed since that date. The fire alarm system is owned and maintained by the Government. There is no alarm equipment in this building owned or maintained by private contractors. There is a combination guard custodial position with twenty-five per cent (25%) of one man's time charged to guard functions. His activities are not supervised by any type of compulsory tour system, watch-clock, etc. There are no reimbursable guards assigned to the site.

U. S. Post Office and Court House, 46 E. Ohio Street, Indianapolis, Indiana

This building, located in the downtown section, was built in 1903 and extended in 1937 and has an area of *248,745* [fol. 5870] square feet. Major uses include offices, handling of the mail, and courtrooms. When originally constructed it did not have any type of alarm system. Currently there is a local manual fire alarm system developed and installed by the Government using equipment from a variety of different manufacturers. This fire alarm system is owned and maintained by the Government. There is no other alarm equipment in this building. The building has six guard positions charged to Operating Expenses. These guards use a Detex clock for supervision. There are no reimbursable guards assigned to the site.

U. S. Custom House, 610 S. Canal Street, Chicago, Illinois

This building, located in a commercial-industrial section, was built in 1932 and extend in 1940, has an area of *192,327* square feet and is used as an office building. When originally constructed it was equipped with a local, manually operated fire alarm system manufactured by the Autocall Company. This system has since been extended and Holtzer-Cabot equipment has been used to effect the extension. Both the original Autocall and the Holtzer-Cabot equipment are owned and maintained by the Government. There is no other alarm equipment in this building. The building has six guards charged to Operating Expenses. These guards use a Detex clock system. There are no reimbursable guards assigned to the site.

Shelby Air Force Depot, Shelby, Ohio

This facility, located in an industrial section, was built in 1954 and contains an area of *821,000* square feet and is used as a warehouse. When originally built this facility was provided with a proprietary fire alarm system manufactured by the Autocall Company. This system was part of a larger system covering the former Wilkins Air Force Station which has since been subdivided. The main control part of this system is in the part of the station not retained by the Government. The present alarm system is as follows:

a. The retained portions of the initial Autocall system consist of ten (10) exterior manual fire alarm and watchman reporting transmitters, twenty-three (23) interior manual fire alarm and watchman reporting transmitters, forty (40) sprinkler water flow alarm detector-transmitters, and miscellaneous conduit and wiring systems, all of which are owned by the Governmnt and connected to a new fire alarm control panel on the facility and new receiving [fol. 5871] equipment in the municipal fire station in Shelby, Ohio, complete with the necessary telephone conductor circuit between the facility and the municipal fire alarm station. The new equipment is the property of the Autocall Company. The entire system is now serviced and maintained by the Autocall Company. The installation charge for the new control equipment was $947. The annual recurring service charge to cover maintenance and operation of the entire system including the Government-owned equipment is $3,540.

b. Burglary and intrusion protection has been provided under a contract with the American District Telegraph Company. This consists of intrusion devices on 34 warehouse doors, 44 personnel doors, 2 office doors, including transoms above these doors, and 22 windows. Also covered in this contract are 2 control panels, a horn and an annunciator. All of this equipment is owned by the American District Telegraph Company and is maintained and provided with supervision connected to the local

police headquarters by the American District Telegraph Company. The initial installation cost of this equipment was $2,100. The annual charges for maintenance and the police station connection are $4,550.

c. In addition there is a contract with the American District Telegraph Company to provide watchman supervision using a Government-owned and maintained system. The initial cost for installation of the American District Telegraph Company equipment for this purpose was $2,100. The annual charge to cover maintenance, operation and supervision is $720. The charge also includes maintenance of a supervisory connection to the police headquarters.

This facility has four guards charged to Operating Expenses. Four guards are also charged to this facility on a reimbursable basis. Detex clocks are used for guard supervision.

U. S. Post Office and Court House, Third and State Streets, Columbus, Ohio

This building, located in a downtown section, was built in 1887 and has an area of *59,000* square feet. It is used for the handling of mail, courtrooms, and offices. The building has a local fire alarm system which has been in use for a number of years. It is not certain whether this system is as old as the building. The system is one which [fol. 5872] was assembled by the Government from equipment purchased from various manufacturers. The system is owned and maintained by the Government. There are no other alarm systems in this building. There are two and one-half guard positions charged to Operating Expenses. No reimbursable guards are assigned to the site. The one-half guard position indicates that one employee spends half of his time as guard and the other half on other duties. Detex clocks are used for guard supervision.

U. S. Post Office and Court House, 85 Marconi Boulevard, Columbus, Ohio

This building, located in the downtown section, which was built in 1935, has an area of *192,000* square feet and is

used for the handling of the mail, courtrooms, and offices. The original fire alarm installation consisted of a local manually-operated fire alarm built by the American District Telegraph Company. This fire alarm system, owned and maintained by the Government, is still the only alarm system in the building. There are six guards in this building charged to Operating Expenses. There are no reimbursable guards assigned to the site. Detex clocks are used for guard supervision.

Warehouse, Dayton, Ohio

This facility, located in an industrial section, which was built in 1951, contains an area of *647,000* square feet and is used as a warehouse. The fire alarm system provided in the initial installation was a central station fire alarm system manufactured by the American District Telegraph Company. When originally installed the system which is owned and operated by the American District Telegraph Company included central station service. Since that time minor changes have been made in equipment. The central station supervision has been discontinued and proprietary supervision by GSA substituted. The system includes manual fire alarm boxes, supervision of 63 dry-pipe valves, pump and valve supervision. All the equipment is the property of the ADT Company and maintained and serviced by them. The annual charge covering maintenance and leasing of the equipment is $13,200. This facility has ten guards chargeable to Operating Expenses, and no reimbursable guards are assigned to the site. The guards report by telephone to the guard supervisor. No Detex clocks or other recording devices are used.

[fol. 5873] Engineer Center, 830 Broadway, Louisville, Kentucky

This building, located in a downtown section, which was built in 1924, contains an area of *96,758* square feet and is used as an office building. The alarm system initially installed in this building was a local manual fire alarm system, owned and mantained by the Government. Since the initial installation the fire alarm system has been modified by the installation of transmitting equipment to transmit alarms to the city fire department. This equipment includes

a transmitter connected to the local fire alarm system, water flow transmitter on the sprinkler system, and valve supervision for the sprinkler control valve. The newly installed equipment was manufactured by the Sperling Fire Alarm Company. This new equipment is owned and maintained by the Automatic Detection and Alarm Company, Inc. The initial installation charge for this equipment was $776 and the annual service charge is $288. The building has four guards charged to Operating Expenses. No reimbursable guards are assigned to the site. Detex clocks are used for guard supervision.

Veterans Administration Building, 1405 West Broadway, Louisville, Kentucky

This building, located in the downtown section, which was built in 1921, contains an area of 144,011 square feet and is used as an office building. The only alarm equipment in the building is a local manual fire alarm system installed at the time of construction which contains equipment of several manufacturers. This system is owned and maintained by the Government. There is no other alarm equipment in this building. There are four guard positions charged to Operating Expenses, and no reimbursable guards are assigned to the site. Detex clocks are used for guard supervision.

Federal Building, Owensboro, Kentucky

This building, located in the downtown section, was built in 1911 and extended in 1934. It contains an area of *34,775* square feet and is used as an office building. The building has no Government or contractor owned alarm systems. No guards are assigned to this building.

Post Office and Court House, 211 Nineteenth Street, Rock Island, Illinois

This building, located in the downtown section, which was built in 1957, contains an area of *63,159* square feet, and is used for handling the mail, courtrooms, and offices. The building is equipped with a local manual [fol. 5874] fire alarm system manufactured by the Edwards Fire Alarm Co. This system is owned and maintained by the Government. There are no other alarm systems in this

building. There is ½ of a guard position charged to operating expenses in this building. No reimbursable guards are assigned to the site. The ½ position indicates that the guard spends ½ of his time on other duties. Detex clock is used to supervise the guard functions.

Warehouse, Seneca, Illinois

This facility, located in the general urban section, which was built in 1940 contains an area of *324,030* square feet and is used for warehousing operations. As originally built the facility was not provided with a fire alarm system. The facility now has a local manual fire alarm system installed by the government using equipment of several manufacturers. The equipment is owned and maintained by the Government. There are no other alarm systems on this facility. There are two guard positions at this facility charged to Operating Expense. No reimbursable guards are assigned to this location. Detex clocks are used to supervise the guards.

Federal Building, Portage & Bincham Avenue, Saulte Ste. Marie, Michigan

This building, located in the downtown section, which was built in 1910 contains an area of *14,000* square feet and is used for handling the mail and for offices. The building has no alarm systems of any type and no guards are assigned to the site.

Appraisers Stores, 628 E. Michigan Avenue, Milwaukee, Wisconsin

This building, located in the downtown section, which was built in 1916 has an area of *16,000* square feet and is used as an office building. The building does not have any alarm system. There is one guard position in this building charged to Operating Expenses. No reimbursable guards are assigned to the site. A Detex clock is used to supervise this guard.

U. S. Post Office and Courthouse, 517 E. Wisconsin Avenue, Milwaukee, Wisconsin

This building, located in the downtown section, which was built in 1898 contains an area of *316,000* square feet [fol. 5875] and is used for the handling of the mail, court-

rooms, and offices. The building contains a local manual fire alarm system installed by the Government using parts from a variety of manufacturers. This equipment is owned and maintained by the Government. There are no other alarm systems in the building. There are eight guard positions in the building charged to operating expenses. No reimbursable guards are assigned to this site. Detex clocks are used to supervise the guards.

Veterans Administration Building, 342 N. Water Street, Milwaukee, Wisconsin

This building, located in the downtown section, which was built in 1926 contains an area of *95,000* square feet of area and is used as an office building. At the time of the initial construction a local manual fire alarm system manufactured by S. H. Couch, Inc. was installed in the building. This system is owned and maintained by the Government. There are no other alarm systems in this building. There are five guard positions charged to operating expenses. Detex clocks are used to supervise these guard positions. No reimbursable guards are assigned to this site.

U. S. Post Office and Courthouse, E. Walnut & N. Jefferson, Green Bay, Wisconsin

This building, located in the downtown section, which was built in 1959 contains an area of *62,827* square feet and is used for handling of the mail, courtrooms, and offices. When built, the building was provided with a local manual fire alarm system manufactured by the Autocall Co. This initial system is owned and maintained by the Government. Since that time a supplemental system providing three combination watchmen and fire alarm stations and central station supervision for these three stations has been installed. The new equipment is manufactured by the American District Telegraph Co. and is owned and maintained by them. The initial installation cost of this new equipment was $240. The annual service charge is $440. There are no guard positions in this building.

U. S. Post Office & Courthouse, 6th and Monroe Street, Springfield, Illinois

This building, located in the downtown section, which was built in 1930, contains an area of *68,071* square feet

[fol. 5876] and is used for the handling of the mail and offices. At the time of construction a local manual fire alarm system manufactured by Auth Electric Co. was installed. This system is owned and maintained by the Government. There are no other alarm systems in the building. There are 4½ guard positions in this building charged to operating expenses. No reimbursable guards are assigned to the site. Detex clocks are used to supervise the guards.

U. S. Post Office & Courthouse, 601 W. Broadway, Louisville, Kentucky

This building, located in the downtown section, which was built in 1932, contains an area of *290,840* square feet and is used for the handling of the mail, courtrooms, and offices. When the building was erected it was provided with a local manual fire alarm system. This system has since been modified by providing a transmitter and connection to the city fire alarm station. This new equipment was manufactured by the Sperling Alarm Co. The new equipment is owned by Automatic Detection & Alarm, Inc. The original equipment is owned by the Government. All of the equipment in the building is mantained by Automatic Detection & Alarm, Inc. at an annual service charge of $288. There are six guard positions in this building charged to operating expenses. No reimbursable guards are assigned to the site. Chicago Minute Man clocks are used to supervise the guards.

Sharonville Warehouse, Sharonville, Ohio

This facility, located in an industrial section, was built in 1943 and contains an area of *1,606,000* square feet. The facility is used for warehousing activities. The initial installation consisted of a proprietary fire alarm system manufactured by the ADT Co. This system is still in use at the facility and includes water flow protection for the sprinkler systems, Aero automatic fire alarm systems, manual fire alarm systems, valve supervision, sprinkler air-pressure supervision, valve-house temperature supervision, fire pump power, and proprietary fire alarm controls. The system is owned and maintained by the ADT Co. Proprietary supervision is provided by the Government. The initial installation cost in 1950 was $51,580. The annual service charge

is $16,852. There are 22 guard positions at this facility charged to operating expenses. No reimbursable guards are assigned to the site. Detex clocks are used for guard supervision.

[fol. 5877] U. S. Courthouse, 219 So. Clark Street, Chicago, Illinois

This building, located in the downtown section, which was built in 1905, contains an area of 399,242 square feet and is used for handling of the mail, courtrooms, and offices. The original equipment in this building was a local manual fire alarm system manufactured by the Faraday Siren Co. This original equipment is still in use and it has been amplified by the provision of proprietary fire alarm controls and extensions to the original system. The equipment used in these extensions was manufactured by the Quincy Vibrator Co. All of the fire alarm equipment in this building is owned and operated by the Government. There is no other alarm equipment in the building. There are 13 guard positions in this building charged to operating expenses. No reimbursable guards are assigned to the site. Detex clocks are used to supervise the guards.

U. S. Post Office Building, 507 State Street, Hammond, Indiana

This building, located in the downtown section, which was built in 1906, contains an area of *46,800* square feet and is used for handling the mail, courtrooms, and offices. The fire alarm system originally provided in the building was a local manual fire alarm system manufactured by Holtzer & Cabot. This system is still in use and is owned and maintained by the Government. There are no other alarm systems in this building. There is one guard position chargeable to operating expenses. No reimbursable guards are assigned to this site. A Detex clock is used to supervise this guard position.

Warehouse, Hammond, Indiana

This facility, located in an industrial section, was constructed in 1947 and extended in 1952. It contains an area of *752,400* square feet and is used for warehousing. The

original equipment consisted of central station fire alarm service provided by the American District Telegraph Co. This equipment has since been extended and is still in service. The equipment at this facility includes water flow supervision for 72 sprinkler systems in 6 different buildings using 8 different transmitters; 72 pressure signaling devices in 6 buildings using 9 transmittters; 102 valve supervisory devices using 19 transmitters; 42 temperature supervisory devices using 9 transmitters; Aero fire detection system for the pump house; power supervision for the pumps; 4 pump running devices using 1 transmitter; 18 manual fire alarm boxes; 2 recording panels; and central station supervision and maintenance. All of the equipment [fol. 5878] is owned and maintained by the American District Telegraph Co. Initial installation cost of the equipment at this facility was $120,640.66. The annual service charge is $20,120. There are 22 guard positions at this facility all charged to operating expenses. No reimbursable guards are assigned to the site. Simplex clocks are used to supervise the guards.

Kingsbury Ordnance, State Rte. 6 & 35, La Porte, Indiana

This former ordnance facility, located in a rural area, was built in 1941 and consists of 15,000 acres of surplus property. This property is currently in the process of being either reassigned to another Government agency or disposed through public sale. The facility was initially provided with a proprietary manual fire alarm system manufactured by the Gamewell Co. This system is still in service. The system is entirely owned and maintained by the Government. There are no other alarm systems at this facility. There are 11 guard positions at this facility charged to operating expenses. No reimbursable guards are assigned to the site. Simplex clocks are used to supervise the guards.

Preservation Depot, Dixon, Illinois

This facility, located in a rural section, which was built in 1941, contains an area of *497,721* square feet and is used for warehousing and maintenance shop operations. The

fire alarm system built by the Government using parts from various manufacturers. This system is still in service and is entirely owned and maintained by the Government. There are no other alarm systems at this facility. There are two guard positions charged to operating expenses, and two reimbursable guards are assigned to the site. Detex clocks are used to supervise the guards.

Century Building, 36 S. Pennsylvania Avenue, Indianapolis, Indiana

This building, located in a commercial section, which was built in 1902, contains an area of *150,075* square feet and is used as an office building. The fire alarm system manufactured by the Edwards Co., Inc. The system is owned and maintained by the Government. There are no [fol. 5879] other alarm systems in this building. There are four guard positions charged to operating expenses. No reimbursable guards are assigned to the site. Detex clocks are used to supervise the guards.

U. S. Post Office & Courthouse, Spring & Pearl St., New Albany, Indiana

This building, located in the downtown section, was built in 1888 and extended in 1915 and 1934. It contains an area of *33,784* square feet and is used for the handling of the mail, courtrooms, and offices. There are no alarm systems in this building. There are no guards assigned to the site.

U. S. Post Office & Courthouse, Terre Haute, Indiana

This building, located in the downtown section, which was built in 1932, contains an area of *57,200* square feet and is used for handling the mail, courtrooms, and offices. When originally built it was not equipped with a fire alarm system. Since that date a local manual fire alarm system has been installed. The system was built by the Government using parts from various manufacturers. The Government owns and maintains this system. There is no other alarm equipment in this building. There are two guard positions in this building charged to operating expenses. No reimbursable guards are assigned to the site. Detex clocks are used to supervise the guards.

Warehouse Casad, New Haven, Indiana

This facility, located in a rural area, which was built in 1941, contains an area of *1,597,000* square feet and is used for warehousing activities. The original installation consisted of proprietary fire alarm equipment installed by the American District Telegraph Co. This equipment is still in service and includes water flow and air supervision for 74 dry pipe valves; temperature supervision for 42 valve houses; water level and temperature supervision on 2 ground level reservoirs and 1 gravity tank; valve supervision on 15 valves; temperature supervision and water flow for 2 pump houses; 109 manual fire alarm boxes; automatic fire detection for 5 buildings; and proprietary control equipment for all of the above. There is no central station service for this equipment. All of the fire alarm equipment is owned and maintained by the American District Telegraph Co. The initial installation charge was $24,940. The annual service charge is $15,190. There is no other alarm equipment on the facility. There are 28 guards [fol. 5880] at this facility all charged to operating expenses. No reimbursable guards are assigned to the site. Detex clocks are used to supervise the guards.

U. S. Post Office and Courthouse, London, Kentucky

This building, located in the downtown section, which was built in 1910, contains an area of *19,501* square feet and is used for offices. There is no alarm equipment in this building and there are no guard positions assigned to the building.

U. S. Post Office & Courthouse, Barr & Limestone Streets, Lexington, Kentucky

This building, located in the downtown section, which was built in 1934, contains an area of *96,170* square feet and is used for handling the mail, courtrooms, and offices. There is no alarm equipment in this building. There are two guard positions charged to operating expenses. No reimbursable guards are assigned to the site. Detex clocks are used to supervise the guards.

Federal Building, 220 N. Main Street, Ann Arbor, Michigan

This building, located in the downtown section, which was built in 1909, contains an area of *15,000* square feet and is used for offices. The initial installation of alarm equipment was a local manual fire alarm system built by the Government using parts from various manufacturers. This alarm equipment, owned and maintained by the Government, is still in service. There is no other alarm equipment in the building. There are no guard positions assigned to the site.

U. S. Customs House, 100 W. Larned Street, Detroit, Michigan

This building, located in the downtown section, which was built in 1851, contains an area of *29,000* square feet and is used for offices. There is no alarm equipment of any type in this building. There is one guard position charged to operating expenses. No reimbursable guards are assigned to this site. A Detex clock is used to supervise the guard.

[fol. 5881] U. S. Post Office and Courthouse, 231 W. Lafayette Street, Detroit, Michigan

This building, located in the downtown section, which was built in 1934, contains an area of *416,000* square feet and is used for handling the mail, courtrooms, and offices. The alarm equipment initially installed consisted of a local manual fire alarm and a local guard reporting system manufactured by Holtzer-Cabot Co. The system is still in service and is entirely owned and maintained by the Government. Subsequently, this system has been amplified by the installation of one watchman security station manufactured by the American District Telegraph Co. This additional equipment is owned, and provided with central station supervision by the ADT Co. The installation cost of this equipment was $70. The annual service charge for this equipment is $300. There are 10 guard positions in this building charged to operating expenses. No reimbursable guards are assigned to the site. The guard reporting system is used to supervise the guard rounds.

Federal Building, Church & Third Streets, Flint, Michigan

This building, located in the downtown section, was built in 1931 and contains an area of *44,000* square feet. It is used for handling the mails and for offices. There is no alarm equipment iln this building and there are no guard positions assigned to the site.

Federal Building, W. Michigan & Park Street, Kalamazoo, Michigan

This building, located in the downtown section, which was built in 1939, contains an area of *38,000* square feet and is used for handling the mail and offices. The original installation included a local manual fire alarm system built by the Government using parts from various manufacturers. This system is owned and maintained by the Government. There are no other alarm systems in this building. There are no guard positions assigned to the site.

Federal Building, 526 Water Street, Port Huron, Michigan

This building, located in the downtown section, which was built in 1877, contains an area of *29*,000 square feet and [fol. 5882] is used for handling the mail, courtrooms, and offices. There is no alarm equipment in this building and there are no guard positions assigned to the site.

Federal Center, N. Washington & Champion, Battle Creek, Michigan

This building, located in a semi-residential section, was built in 1902 and extended in 1926 and 1928. It contains an area of *546,000* square feet and is used for offices. The original installation consisted of local manual fire alarm system manufactured by the Gamewell Co. The system has been extended, with the Gamewell equipment, by providing a direct connection for transmission of alarms to the city fire station. All of this equipment is owned and maintained by the Government. There are nine guard positions in the building charged to operating expenses. Three reimbursable guards are assigned to the site. Detex clocks are used to supervise the guards.

Railroad Retirement Board Building, 844 North Rush Street, Chicago, Illinois

This building, located in the downtown section, which was built in 1922, contains an area of *264,374* square feet and is used as an office building. The initial installation consisted of a local manual fire alarm system, manufactured by Sampson Fire Alarm Company. Americain Bureau This installation is still in service and is entirely owned and maintained by the Government. There is no other alarm equipment in this building. There are eleven guard position in the building charged to operating expenses. Eleven reimbursable guards are assigned to the site. The guards are supervised by Detex clocks.

Appellate Court Building, 1212 Lake Shore Drive, Chicago, Illinois

This building, located in a semi-residential section, which was built in 1922, contans an area of *32,441* square feet and is used as an office building. The original installation consisted of a local manual fire alarm system manufactured by the Auth Electric Company, which is owned and maintained by the Government. In addition there is a central station burglar protection system manufactured, owned, and maintained by the American District Telegraph Company covering two rooms with protection [fol. 5883] on the walls and ceilings of both rooms, one window, and two doors. The annual service charge on this equipment is $1068. There are three guard positions in this building charged to operating expenses. No reimbursable guards are assigned to the site. Detex clocks are used for guard supervision.

Rand McNally Building, 536 South Clark Street, Chicago, Illinois

This building, located in the downtown section, which was built in 1912, contains an area of *485,423* square feet and is used as an office building. The initial installation consisted of a local manual fire alarm system manufactured by S. H. Couch, Inc. This system, which is still in opera-

tion, is owned and maintained by the Government. There is no other alarm equipment in the building. There are 9½ guard positions charged to operating expenses. No reimbursable guards are assigned to the site. Detex clocks are used to supervise the guards.

CAC Building, 1819 Pershing Road, Chicago, Illinois

This building, located in an industrial section, which was built in 1918, contains an area of 1,624,474 square feet and is used for warehousing and office operations. The initial installation consisted of a local manual fire alarm system bult by the Government using equipment from various manufacturers. This equipment is still in service and is owned and maintained by the Government. The system has been amplified by the installation of Government-owned equipment consisting of the supervision of 24 wet pipe sprinkler systems; three dry pipe sprinkler systems; and one manual fire alarm station. This new equipment is owned by the Government and maintained by the Central Watch and Service Co. The Central Watch and Service Co. also provides central station supervision of this new equipment. The annual service charge for the maintenance and supervision is $1,680.80. A burglar alarm system owned by the Government is serviced by the Central Watch and Service Co. at an annual charge of $552. There are 20 guard positions at this location all charged to operating expenses. No reimbursable guards are assigned to the site. Detex clocks are used for guard supervision.

U. S. Post Office and Court House, Public Square, Cleveland, Ohio

This building, located in the downtown section, which was built in 1904 contains an area of *124,000* square feet and [fol. 5884] is used for handling of the mail courtrooms, and offices. There are no alarm systems of any type in this building. There are six guard positions charged to operating expenses. There are no reimbursable guards assigned to the site. Detex clocks are used to supervise the guards.

U. S. Court House and Custom House, 1716 Spielbush Street, Toledo Ohio

This building, located in the downtown section, which was built in 1932, contains an area of *87,000* square feet and is used as an office building. There is no alarm equipment in this building. There are two guard positions chargeable to operating expenses. No reimbursable guards are assigned to the site. Chicago Watch Clocks are used to supervise the guards.

Depot, Warren, Ohio

This facility, located in an industrial section, which was built sometime during World War II, contains an area of *1,347,000* square feet and is used for warehousing activities. The initial alarm installation consisted of proprietary fire alarm system manufactured, owned, and maintained by the American District Telegraph Company. The equipment includes 137 water flow devices using 34 transmitters; 137 air pressure devices using 14 transmitters; 175 guard supervision devices using 34 transmitters; 148 room temperature devices using 15 transmitters; 17 manual fire alarm boxes; one Aero automatic fire alarm system; one pump power supervision device; and two control panels for the above equipment. This system does not include central station supervision but proprietary supervision of the system is provided by GSA. The entire system is owned and maintained by the American District Telegraph Company. The annual service charge is $29,592. There is no other alarm equipment on the facility. There are 22 guard positions at this facility charged to operating expenses. No reimbursable guards are assigned to this location. Detex clocks are used to supervise the guards.

Ford Building, 7401 South Cicero Avenue, Chicago, Ill.

This building, located in an industrial section, which was built in 1943, is a surplus industrial plant foundry. It contains a proprietary fire alarm system manufactured by the Gamewell Company. The system, owned by the Government, is currently inactive. There is no active alarm equipment at this facility. There are five guards charged to [fol. 5885] operating expenses. Five reimbursable guards

are assigned to the site. Simplex clocks are used to supervise the guards.

U. S. Post Office and Federal Office Building, Breese, Illinois

This building, located in the downtown section, contains an area of *6,576* square feet and is used for handling the mail and offices. It contains no alarm equipment and no guards are assigned to the site.

U. S. Post Office and Federal Office Building, Pikeville, Kentucky

This building, located in the downtown section, which contains an area of 9,919 square feet, is used for handling of the mail and offices. It contains no alarm equipment and no guards are assigned to the site.

Federal Office Building, Waukegan, Illinois

This building contains an area of *6,345* square feet and is used as an office building. It contains no alarm equipment and no guards are assigned to the site.

Federal Building, Danville, Kentucky

This building, located in the downtown section, contains an area of *5,997* square feet and is used as an office building. It contains no alarm equipment and no guards are assigned to the site.

Federal Building, Manistee, Michigan

This building, located in the downtown section, which contains an area of 7,772 square feet is used as an office building. It contains no alarm equipment and no guards are assigned to the site.

Federal Building, 703 Eagle Avenue, Cleveland, Ohio

This building, located in the downtown section, which contains an area of *5,380* square feet, is used as an office building. There is no alarm equipment in or guards assigned to the site.

[fol. 5886] Federal Building, Alpena, Michigan

This building, located in the downtown section, which contains an area of *11,000* square feet, is used as an office building. It contains no alarm equipment and no guards are assigned to the site.

U.S. Post Office and Courthouse, 5th & Walnut Street, Cincinnati, Ohio

This building, located in the downtown section, which was built in 1938, contains *348,000* square feet, and is used for handling of the mail, courtrooms, and offices. The initial installation of alarm equipment consisted of a local manual fire alarm system with watchman patrol features manufactured by Holtzer-Cabot Company. No additions or changes have been made to this equipment. It is owned and maintained by the Government. There is no other alarm equipment in the building. There are nine guard positions charged to operating expenses. No reimbursable guards are assigned to the site. The watchman patrol features of the fire alarm system are used to supervise the guards.

Federal Building, 52 Starling Street, Columbus, Ohio

This building, located in the downtown section, which was built in 1922, contains an area of *232,000* square feet and is used as an office building. The initial installation of alarm system consisted of a local manual fire alarm system installed by the Government using the equipment of a variety of manufacturers. The Government owns and maintains this equipment. There is no other alarm equipment in the building. There are seven guard positions charged to operating expenses. Three reimbursable guards are assigned to the site. Detex clocks are used to supervise the guards.

Federal Building, 35 - 37 E. Huron Street, Pontiac, Michigan

This building, located in the downtown section, contains an area of *30,000* square feet and is used for offices. There is no alarm equipment in or guards assigned to the site.

[fol. 5887] Federal Building, Bloomington, Indiana

This building contains an area of 8,846 square feet and is used as an office building. It contains no alarm equipment and no guards are assigned to the site.

The most recent compilation available at this time indicates that during fiscal year 1961, GSA employed approximately 1,600 guards charged to operating expenses at a cost of $8,577,144 and approximately 1,250 guards charged as reimbursable at a cost of $7,394,871.

In accordance with the "so ordered" stipulation dated October 29, 1962, signed and sealed by all interested parties hereto, the information provided herein shall be used only in your defense and dissemination shall be limited as specified therein. As you have also agreed, this transmittal and any copies made therefrom that have not been introduced into evidence will be returned to this office when such information has served the purposes for which it was provided.

Sincerely yours, Bernard L. Boutin, Administrator

[fol. 5888] General Services Administration
Washington 25, D. C.

September 25, 1962.

Bleakley, Platt, Schmidt, Hart & Fritz
120 Broadway
New York 5, New York

Attention: Mr. Robert L. Conkling

Gentlemen:

Pursuant to instructions issued by the United States District Court of Massachusetts on April 4, 1962, and our agreement of May 29, 1962, based upon those instructions, data relating to the types of alarm systems in use in GSA operated, Government-owned buildings in GSA's Region 5 will be supplied to you subject to the conditions set forth below.

It is obvious from a review of this data that some of this information in the hands of unauthorized persons could be used to the disadvantage of the Government and the

national interest insofar as it discloses specific alarm systems and the number of guards assigned to specific buildings.

In consideration of mutual agreements it is agreed between the General Services Administration and the authorized representatives of the Grinnell Corporation, et al. that the information described above will only be utilized for purposes of defense in the case of United States of America vs. Grinnell Corporation, et al., Civil Action No. 2785, United States District Court, District of Massachusetts. The defendants in this action further agree that the dissemination of any data contained in the information to be provided will be limited to instances where it is necessary to the defense of the referred to action. The defendant corporations further undertake to return to this office the original transmittal and all copies made therefrom that have not been introduced into evidence when such information has served the purpose of their defense.

[fol. 5889] If you are in agreement with these conditions, execute both copies of this letter indicating your acceptance and return one copy to this office. Upon receipt of an executed copy of this agreement, we will transmit the specific requested information pertaining to GSA's Region 5.

Sincerely yours, (Signed) William H. Brewster,
Assistant General Counsel

Accepted:

——, ——, for Grinnell Corporation;
American District Telegraph Company;
Holmes Electric Protection Company; and
Automatic Fire Alarm Company of Delaware.

——, 1962

[fol. 5890] BLEAKLEY, PLATT, SCHMIDT, HART & FRITZ
120 Broadway
New York 5, N. Y.

Cable Address Platfield — Tel. Rector 2-2000

September 20, 1962.

William H. Brewster, Esq.
Assistant General Counsel
General Services Administration
Washington 25, D. C.

Dear Mr. Brewster:

We have received your letter of September 11, 1962 advising that General Services Administration has compiled the data relating to GSA operated, Government-owned buildings in GSA's Region 5 and that such information is ready for transmittal to us.

Your request for a written commitment affecting the use of this information appears to us to be reasonable, in the circumstances you relate, since the protection and advancement of the national interest is a chief concern of us all, and we suggest, therefore, that you prepare a commitment in such form that would be satisfactory to you for our consideration and actual approval.

Sincerely yours, ——, ——.

RLC:moc

[fol. 5891] UNITED STATES DISTRICT COURT, DISTRICT OF RHODE ISLAND

Civil Action No. 2785

THE UNITED STATES OF AMERICA, Plaintiff,

against

GRINNELL CORPORATION, AMERICAN DISTRICT TELEGRAPH COMPANY, HOLMES ELECTRIC PROTECTIVE COMPANY and AUTOMATIC FIRE ALARM COMPANY OF DELAWARE, Defendants.

It Is Hereby Stipulated and Agreed by and between the attorneys for plaintiff United States of America and defendants Grinnell Corporation, American District Tele-

graph Company, Holmes Electric Protective Company and Automatic Fire Alarm Company of Delaware that the information to be furnished to the above named defendants by the General Services Administration pursuant to the direction of the Hon. Charles E. Wyzanski, United States District Judge, in the above entitled action, will be utilized only for the purposes of defense in the above entitled action, including the now pending deposition of General Services Administration pursuant to Notices and Subpoena heretofore served and filed.

It Is Further Agreed and Stipulated that the attorneys for the said defendants may disseminate such information for the purpose of preparing and assisting in the defense of the said action and to the extent necessary for such defense.

[fol. 5892] It Is Further Stipulated and Agreed that the attorneys for the defendants will undertake to return to the General Services Administration all documents, papers and memoranda furnished to them by the General Services Administration, together with all copies thereof, except for such documents as will have become part of the record of this case, at the ultimate conclusion of all litigation in the above entitled case including any appellate proceedings which may be had.

Noel E. Story, Trial Attorney, Antitrust Division, United States Department of Justice, Attorney for Plaintiff. William H. Brewster, Assistant General Counsel, General Services Administration, United States of America. Bleakley, Platt, Schmidt, Hart & Fritz, by Robert L. Conkling a member of the firm, Attorneys for Defendants, American District Telegraph Company, Holmes Electric Protective Company and Automatic Fire Alarm Company of Delaware. Camill, Gordon, Reindel & Ohl, by Davis G. McInerney, Attorneys for Grinnell Corporation.

Dated: October 29th, 1962.

So Ordered:

Approved October 31, 1962.

(S) C. E. Wyzanski, Jr., U.S.D.J.

[fol. 5893] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBITS C-1 THROUGH C-5 (AS REVISED), JUNE 24, 1964

Defendant Alarm Companies Objections to Plaintiff's Designations of Deposition Transcripts Keyed to Plaintiff's Exhibits 317 to 362 (Excerpted Transcripts)

Plaintiff's Exh. 317

GEORGE F. ALLEBACH, Sr., Insurance Rating Bureau of the District of Columbia
Woodward Building
Washington 5, D. C.

Page	Line	Through	Page	Line	Grounds
25	16	"	26	8	Speculation; no foundation; assumptions.
26	9	"	30	30	Speculation; hypothetical; no founnations; answers not responsive; testimony shows lack of basis for comparisons; vague.
30	21	"	31	13	Misleading questions; improper comparisons; witness unable to make responsive answer; vague.
31	14	"	36	17	Speculation; hypothetical; no foundation; answers not responsive; vague; misleading questions.
38	18	"	40	10	Misleading questions; improper comparison; witness unable to make responsive answer; hypothetical; assumptions; no foundation.
42	16	"	42	22	Hypothetical; no foundation.
43	8	"	43	14	Hypothetical; no foundation; leading question; withdrawn.
48	15	"	48	19	Question stricken by Government.
[fol. 5894]					
51	20	"	52	2	Leading; argumentating no foundation.
53	5	"	53	14	Witness not qualified to answer.

[fol. 5895] Plaintiff's Exh. 318

EMERSON M. BOCHER, Dayton Electronics Alarm & Signal, Inc.
530 W. Second Street
Dayton, Ohio

Page	Line	Through	Page	Line	Grounds
7	2	"	7	16	Hearsay; speculation.
14	21	"	15	14	Answers not responsive; in any event irrelevant.
15	15	"	16	12	Irrelevant.
18	22	"	20	10	Irrelevant.
20	13	"	20	19	Answer not responsive.

Page	Line	Through	Page	Line	Grounds
21	1	"	21	10	Answers not responsive; irrelevant and immaterial.
24	9	"	26	20	Hearsay; speculation.
26	21	"	29	29	Hearsay; irrelevant.
30	19	"	31	33	Hearsay; conversations with third parties not binding on defendants; irrelevant.
32	4	"	32	29	Irrelevant.
38	5	"	38	14	Immaterial.
39	24	"	39	27	Immaterial.
42	25	"	42	27	Immaterial; not best evidence.

[fol. 5896] Plaintiff's Exh. 319

JAMES H. BRAY, Alarm Signal Company of Texas
203 East Eagle Street
Pasadena, Texas

Page	Line	Through	Page	Line	Grounds
6	20	"	7	5	Hearsay.

[fol. 5897] Plaintiff's Exh. 320

JOHN D. BROSNAN, Federal Engineering Company, Inc.
1004 Sixth Street, N.W.
Washington, D. C.

Page	Line	Through	Page	Line	Grounds
3	18	"	80		These defendants will object to all testimony within these page references relating to alleged conversations with Messrs. Bodley and Heisley on grounds of irrelevancy and immateriality and lack of authority, in any event, of said persons.
3	18	"	4	3	Witness not competent; best evidence rule; hearsay; speculation.
5	5	"	5	12	Witness not competent; speculation and assumption; conclusion.
7	11	"	7	18	Form of question.
7	19	"	8	1	Conclusion; speculation; hearsay.
8	23	"	9	14	Form of question. (Question withdrawn at p. 9, l. 14).
9	16	"	9	19	Conclusion; assumption and speculation; hearsay.
10	6	"	10	10	Hearsay; conclusion.
10	12	"	10	23	Form of question. (Question and answer stricken at p. 10, l. 23).
12	17	"	13	12	Answer not responsive; conclusion; speculation.
14	5	"	15	14	Witness incompetent; speculation and conclusions; hearsay.

Page	Line	Through	Page	Line	Grounds
15	15	"	15	22	Speculation and conclusion (at lines 17–20) based on answer at l. 22. Incompetent and immaterial; lack of authority of Heisley.
[fol. 5898]					
15	22	"	16	18	Not responsive; conclusion; irrelevant and immaterial.
16	19	"	17	8	Irrelevant and immaterial; not responsive; conclusions; speculations; lack of authority of Heisley.
17	11	"	18	4	Form of questions; speculation conclusion; irrelevant and immaterial; lack of authority.
18	17	"	19	11	Form of question; self-serving irrelevant; lack of authority.
19	16	"	19	18	Not responsive; irrelevant; lack of authority.
20	8	"	20	16	Speculation and conclusions; irrelevant; lack of authority.
20	17	"	22	13	Form of question; calls for operation of mind of another; conclusions; speculation; not responsive answers; lack of authority.
23	12	"	23	17	Irrelevant; conclusion.
25	10	"	29	1	Form of question; lack of authority; conclusion; irrelevant.
29	3	"	30	23	Irrelevant and immaterial.
31	6	"	31	20	Lack of authority in Heisley as to "policy".
32	2	"	33	24	Lack of authority.
33	4	"	33	5	Not responsive.
33	18	"	33	21	Conclusion.

[fol. 5898a]

Page	Line	Through	Page	Line	Grounds
34	15	"	34	18	Hearsay; speculation and assumption.
35	1	"	35	2	Speculation and assumption.
37	4	"	37	7	Witness incompetent; speculation, assumption.
38	19	"	41	5	Irrelevant; immaterial and incompetent. (See answers at page 41, line 2).
42	14	"	42	21	Speculation and conjecture.
43	3	"	44	3	Witness not competent.
46	9	"	46	20	Witness not competent; hearsay.
65	3	"	65	7	Hearsay.
66	14	"	66	19	Witness not competent.
76	14	"	76	16	Best evidence; witness not competent.
77	18	"	79	11	Witness not competent.
105	16	"	105	22	Speculation; incompetent.
146	2	"	146	26	Immaterial.

Page	Line	Through	Page	Line	Grounds
150	23	"	152	17	Hearsay; (See testimony at page 200, line 18 to page 201, line 3 of the minutes of deposition of John Daniel Broanan.) Witness not competent.

[fol. 5898b]

Plaintiff's Exh. 324

CLARENCE S. DAMON, Damon Alarm Corporation
4345 Madison
Kansas City, Missouri

Page	Line	Through	Page	Line	Grounds
11	24	"	15	11	Lack of authority of Sherer; self-serving declarations.
15	14	"	16	13	Witness incompetent; hearsay; conclusions.
16	14	"	16	23	Self-serving; conclusion; irrelevant and immaterial.
17	8	"	17	18	Lack of authority; conclusion.
17	19	"	18	8	Objection to form of question; answer not responsive; witness statement not binding on defendants; irrelevant and immaterial.
19	13	"	20	14	Lack of authority; irrelevant and immaterial.
20	16	"	23	12	Lack of authority of Warner or Warner and Sherer; hearsay; self-serving declarations.
23	13	"	25	18	Irrelevant; lack of authority of Highstone.
25	19	"	26	3	Answer not responsive.
26	8	"	26	25	Voluntary statement of witness not binding on defendant; conclusion; self-serving declaration; lack of authority of Highstone; irrelevant.
26	26	"	28	4	Lack of authority of Highstone; onclusion; statements of witness not binding on defendants; irrelevant.

[fol. 5898c]

28	5	"	28	15	Speculation and conclusion; self-serving declarations; irrelevant.
28	20	"	30	8	Voluntary statements and self-serving declarations of witness not binding on defendants; conclusion; speculation and opinions; irrelevant and immaterial.
30	22	"	31	6	No foundation; hearsay.
31	10	"	31	20	Irrelevant and immaterial; hearsay.
31	23	"	32	10	Hearsay.

Page	Line	Through	Page	Line	Grounds
32	10	"	32	18	Answer after "Oh! yes" not responsive; volunteered statement.
32	19	"	33	4	Conclusion; no causal relation shown for conclusion.
33	5	"	33	20	Answer irresponsive; conversation with third-party not binding on defendants; volunteered statements of witness mental operations; irrelevant and immaterial.
33	21	"	35	19	Not best evidence; parole evidence of letters inadmissible; irrelevant and immaterial.

[fol. 5898d]

Plaintiff's Exh. 325

CLIFFORD T. DAVIS, Protection Engineering Corp.
6900 South Hoover Street
Los Angeles 44, California

Page	Line	Through	Page	Line	Grounds
46	13	"	47	8	Irrelevand and immaterial.
49	1	"	49	3	Immaterial.
64	4	"	64	14	Incompetent; speculative; conclusory; vague.

[fol. 5898e]

Plaintiff's Exh. 326

JAMES W. FLOTRON Potter Electric Signal Company
1211 Pine Street
St. Louis, Missouri

Page	Line	Through	Page	Line	Grounds
8	10	"	8	21	Incompetent; hearsay.
9	10	"	9	19	Incompetent; hearsay.
25	18	"	25	21	Assumption and conjecture; self-serving.
26	19	"	26	22	Irrelevant and immaterial; witness not competent.
26	24	"	27	18	Best evidence rule (See testimony at page 107, line 24 to 108, line 9). Speculation and assumption (See also testimony at page 138, line 10–14).
37	7	"	37	14	Incompetent; hearsay; conclusion and opinion.
38	5	"	38	13	Hypothetical supposition; conjecture and speculation; hearsay (See testimony at page 157, line 25 through page 160, line 12 of minutes of deposition of James W. Flotron).
136	26	"	137	7	Hearsay.
137	16	"	138	9	Speculation.
138	14	"	138	22	Incompetent; vague answer.
147	14	"	148	13	Speculative; not competent; vague; indefinite.

Page	Line	Through	Page	Line	Grounds
			(Volume II)		
211	19	"	212	27	Hearsay; speculative; vague; indefinite; lack of knowledge of witness; incompetent.
215	20	"	215	27	Incompetent; speculative; lack of knowledge of witness.

[fol. 5898f] Plaintiff's Exh. 328

JOSEPH FORMAN Call's Police Signal Corp.
2201 Parkway
Philadelphia, Pennsylvania

Page	Line	Through	Page	Line	Grounds
2	24	"	5	22	Lack of authority of Webb; leading questions improper, no foundation; as noted in record.
6	9	"	6	22	Answers not responsive; lack of authority of Webb.

[fol. 5898g] Plaintiff's Exh. 329

MALCOLM GOLDSTONE Central Office Alarm Company, Inc.
37-08 Greenpoint Avenue
Long Island City, New York

Page	Line	Through	Page	Line	Grounds
5	2	"	5	22	Irrelevant; immaterial; conclusion and opinion.
13	8	"	14	9	Immaterial.
14	13	"	14	14	Conclusion.
15	14	"	16	2	Witness not competent; hearsay; conclusion, speculation and assumption (See page 15, line 19 and Malcolm Goldstone's minutes of deposition page 227, line 24 to page 231, line 5).
17	(missing)	"	18	8	Witness not competent; hearsay; speculation.
19	14	"	19	18	Conclusion; speculation and assumption; operation of mind of another.
22	18	"	23	14	Conclusion; speculation and assumption; hearsay.
25	1	"	27	13	Hearsay (See testimony at page 235, line 15 to page 239, line 19 of minutes of deposition of Malcolm Goldstone) self-serving declarations (See testimony at page 86, line 7 to page 90, line 14). Witness not competent.
29	19	"	33	19	Speculation and assumption; conclusion; self-serving declarations (See testimony at page 135, line 21, page 138,

Page	Line	Through	Page	Line	Grounds
					line 19 to page 138, line 23, and minutes of deposition of Malcolm Goldstone page 367, line 18).

This witness is admittedly an interested and biased witness (see testimony at page 83, line 7 to page 90, line 14).

[fol. 5898h] Plaintiff's Exh. 330

MALCOLM GOLDSTONE Owl Protective Company,
General Burglar Alarm Company
120 North Camac Street
Philadelphia, Pennsylvania

Page	Line	Through	Page	Line	Grounds
20	6	"	20	9	Witness not competent.
20	10	"	21	7	Answer not responsive; hearsay; speculation and assumption (See testimony at page 36, line 18 to line 21 of minutes to deposition of Malcolm Goldstone).
23	21	"	24	3	Hearsay.
25	2	"	26	2	Not responsive; speculation and assumption (Objection as noted in record). Hearsay (See testimony at page 26, line 2).

[fol. 5898i] Plaintiff's Exh. 331

HAROLD W. GRAY American Burglar Alarm Co.
(Pacific Fire Extinguisher Co.)
142 Ninth Street
San Francisco, California

Page	Line	Through	Page	Line	Grounds
59	12	"	59	23	Irrelevant.
60	6	"	60	22	Hearsay.
61	12	"	61	19	Witness is incompetent.
62	10	"	62	20	Form of questions improper.
62	5	"	62	9	Best evidence.
62	21	"	62	24	Hearsay.
70	24	"	73	24	Hearsay.
74	2	"	76	8	Hearsay.

[fol. 5898j] Plaintiff's Exh. 333

SARAH E. JACKSON, Denver Burglar Alarm Company
422–21st Street
Denver, Colorado

Page	Line	Through	Page	Line	Grounds
37	22	"	38	5	Irrelevant.
39	8	"	39	13	Hearsay; (See testimony page 59, line 9 to page 60, line 17 of minutes of deposition of Sarah E. Jackson).

Page	Line	Through	Page	Line	Grounds
39	10	"	40	1	Conversation with plaintiff's representatives not binding on defendants.
40	3	"	40	6	Not responsive to any question, conclusory and lacking foundation in fact.
40	25	"	43	9	Hearsay.
45	12	"	48	12	Hearsay; irrelevant and immaterial.
48	17	"	49	4	Not binding on defendants for lack of authority on the part of Dooley.
49	19	"	51	6	Hearsay; conversations with third parties not binding on defendants.
51	6	"	51	12	Not binding on defendants for lack of authority on the part of Dooley.
52	8	"	54	4	Hearsay.
54	17	"	55	4	Form of question.
55	6	"	56	7	Irrelevant.
58	14	"	59	16	Testimony as to Dooley's statement not binding upon defendants for lack of his authority.
[fol. 5898k]					
58	14	"	59	5	Self-serving declarations and conclusions unsupported by fact.
59	18	"	60	19	Irrelevant.
60	21	"	61	23	Hearsay and irrelevant.
61	25	"	62	24	Irrelevant.
63	2	"	63	17	Hearsay.
63	18	"	63	21	Self-serving declaration, conclusion unsupported by fact.
63	22	"	64	4	Irrelevant.
64	6	"	65	7	Irrelevant.
65	9	"	69	3	Irrelevant.
		"	69	17	Witness incompetent.
70	8	"	70	20	Hearsay.
73	19	"	74	2	Irrelevant.
73	2	"	73	8	Not responsive to question.
74	4	"	74	19	Irrelevant.
74	20	"	75	5	Conversation of third parties not binding upon defendants; also irrelevant.
75	7	"	78	15	Hearsay.
78	16	"	79	13	Irrelevant.
79	15	"	79	21	Hearsay.
80	22	"	81	15	Hearsay.
81	18	"	82	19	Conversation with third parties not binding on defendants.
[fol. 5898l]					
82	21	"	82	24	Conversations with third parties not binding on dependants; conclusion unsupported by facts.

Page	Line	Through	Page	Line	Grounds
83	5	"	83	22	Hearsay; conversation with third parties not binding upon defendants.
83	24	"	84	18	Irrelevant.
88	21	"	91	4	Irrelevant.
94	21	"	96	3	Speculative and conclusory, without foundation in facts; hearsay, predicated upon alleged conversation with persons without authority to make the same.
23	6	"	24	7	Immaterial.

[fol. 5898m] Plaintiff's Exh. 334

EDWARD J. LAVINO Sentinel Alarm Corp.
10th and Vine Streets
Philadelphia, Penn.

Page	Line	Through	Page	Line	Grounds
10	6	"	11	25	Irrelevant and immaterial.
15	12	"	16	1	Hearsay.
18	11	"	18	19	Conclusion unsupported by fact.
21	6	"	23	15	Irrelevant; lack of authority of Heisley.

[fol. 5898n] Plaintiff's Exh. 336

THOMAS M. LEWIN Automatic Alarm Corporation
1350 Spruce Place
Minneapolis, Minn.

Page	Line	Through	Page	Line	Grounds
21	9	"	23	19	Hypothetical; hearsay; speculative; incompetent.

[fol. 5898o] Plaintiff's Exh. 337

GERALD J. LINDER American Fire Dispatch, Inc.
6317 South Figueroa Street
Los Angeles, California

Page	Line	Through	Page	Line	Grounds
40	16	"	42	4	Hearsay; best evidence; speculation.
57	22	"	58	15	Witness incompetent.
66	2	"	66	23	Form of question; irrelevant.
68	21	"	69	11	Hearsay; speculation.
87	6	"	87	19	Hearsay; witness incompetent.
87	20	"	88	5	Hearsay; speculation.
88	11	"	89	16	Form of questions.
89	16	"	90	15	Hearsay; witness incompetent.
90	6	"	92	9	Irrelevant.
92	15	"	92	20	Hearsay.
97	6	"	99	22	Hearsay.
30	3	"	30	11	Hearsay.
36	5	"	36	10	Vague; immaterial.

Page	Line	Through	Page	Line	Grounds
52	4	"	53	2	Hearsay; incompetent.
94	17	"	96	8	Objection as to form (Noted); hearsay.
105	17	"	106	16	Irrelevant; immaterial; hypothetical; speculative.

[fol. 5898p] Plaintiff's Exh. 338

THOMAS L. LUGEN Fidelity Electronic Protective Service
5993 Centre Avenue
Pittsburgh 16, Pennsylvania

Page	Line	Through	Page	Line	Grounds
10	11	"	10	24	Irrelevant.
11	20	"	12	19	Hearsay.
13	2	"	14	10	Hearsay.
14	15	"	15	3	Hearsay.
27	18	"	27	22	Hearsay.
29	18	"	29	23	Hypothetical; speculative; witness not qualified to render opinion.

[fol. 5898q] Plaintiff's Exh. 339

JAMES H. McDOWELL, Central Station Signals, Inc.
53 West 23rd Street
New York, New York

Page	Line	Through	Page	Line	Grounds
36	21	"	36	22	Non-responsive; conclusion.
36	25	"	37	11	Conclusions.
38	8	"	38	11	Irrelevant and immaterial.
38	19	"	38	22	Objection to form as noted; irrelevant and immaterial.
39	13	"	39	22	Non-responsive.
40	9	"	40	11	Non-responsive; speculation.
41	7	"	42	3	Witness incompetent.
42	5	"	42	7	Portion of answer after "Yes" non-responsive; speculation.
67	12	"	68	9	Witness incompetent; speculation as to mental operation of others; hearsay.
55	9	"	56	23	Irrelevant; immaterial; speculation.
61	18	"	62	5	Hearsay; speculation.
69	4	"	70	16	Conjecture; speculation.

[fol. 5898r] Plaintiff's Exh. 340

KENNETH S. McFARLAN, JR., Republic Alarm Company
329 Martel
San Jose, California

Page	Line	Through	Page	Line	Grounds
42	21	"	43	9	Conversations with third-party not binding on defendant.

Page	Line	Through	Page	Line	Grounds
43	25	"	47	19	Conversations with third-party not binding on defendant; hearsay; irrelevant and immaterial.
48	23	"	50	14	Conversations with third-party not binding on defendants; hearsay; irrelevant and immaterial.
50	16	"	52	8	Hearsay; witness incompetent; conclusion without supporting facts.
52	13	"	61	18	Conversations with third-party not binding on defendant; hearsay; irrelevant and immaterial; conclusions unsupported by fact.
61	20	"	61	26	Conclusions; irrelevant; immaterial.
62	3	"	68	11	Lack of authority on part of Dooley; irrelevant.
70	14	"	71	21	Self-serving declaration; irrelevant and immaterial.
73	14	"	73	17	Self-serving declaration.
73	18	"	74	21	Hearsay; witness incompetent; irrelevant and immaterial.
75	22	"	78	21	Objection to form of question as noted; hearsay.
81	3	"	82	11	Irrelevant and immaterial.
84	5	"	85	7	Objection as to form of questions as noted; hearsay.

[fol. 5898a] Plaintiff's Exh. 341

PETER J. NEUMANN, Albany Protective Service
99 Jay Street
Albany, New York

Page	Line	Through	Page	Line	Grounds
5	24	"	6	8	Hearsay.
12	17	"	16	17	Irrelevant; form of questions as noted.
16	21	"	17	9	Answer unresponsive.
19	8	"	19	18	Hearsay.
20	11	"	22	12	Hearsay; conversations and correspondence with third parties not binding on defendants.
23	6	"	26	22	Hearsay.
5	14	"	5	22	Hearsay; conjecture; speculation.
7	7	"	7	17	Immaterial.
28	10	"	29	4	Conjecture; conclusory; no foundation; witness not qualified to render opinion.

[fol. 5898t] Plaintiff's Exh. 342

EPHRAIM B. OBERLANDER, Protection Alarms, Inc.
725 West Main Street
Peoria, Illinois

Page	Line	Through	Page	Line	Grounds
12	21	"	14	10	Hearsay; best evidence rule; incompetent; conjecture.
14	20	"	14	23	Best evidence rule (Exh. 2 does not purport to be a "reply").
16	7	"	16	23	Lack of authority of DeShane; incompetent on the operation of mind of another; conjecture; answer not responsive.
17	13	"	18	4	Lack of authority; conclusion and opinion.
18	15	"	18	17	Lack of authority; conclusion and opinion.
19	2	"	19	11	Lack of authority; conclusion and opinion.
19	21	"	19	25	Lack of authority; conclusion and opinion.
20	1	"	20	15	Form of question—leading; lack of authority; conclusion and opinion.
21	10	"	21	15	Lack of authority; conjecture.
27	3	"	29	1	Witness not competent; opinion and speculation.
31	24	"	32	9	Hearsay; conclusions and assumption (See testimony page 56, line 3 to page 58, line 15; also page 61a, line 1 to page 63, line 8 and page 63, line 9 to page 65, line 12).

[fol. 5898u]

32	11	"	33	6	Questions based on and call for "hearsay".
33	21	"	35	14	Irrelevant and immaterial; hearsay; witness not competent.
46	13	"	47	17	Best evidence rule; based on testimony at page 47, line 8.
47	18	"	50	11	Lack of authority of any of the three persons named; conclusions and assumption.
51	6	"	52	14	Irrelevant.
52	22	"	52	23	Irrelevant.
52	24	"	53	2	Answer not responsive; conclusion and assumption about operation of minds of others; lack of authority.
53	4	"	53	24	All after "I don't remember" is speculation and assumption; lack of authority; conclusions.
54	1	"	54	4	Irrelevant.

Page	Line	Through	Page	Line	Grounds
54	11	"	54	14	Lack of authority; conclusion; operations of minds of others; answer not responsive.
59	3	"	59	5	Alll after "No" not responsive; conclusions and assumptions based on hearsay.
59	7	"	59	18	All after "No" not responsive; conclusions and assumptions based on hearsay as to ADT.
59	21	"	60	4	All after "Correct" not responsive; conclusions and assumptions based on hearsay as to ADT.
[fol. 5898v]					
60	12	"	61	6	Not responsive; conclusions and assumptions based on hearsay; lack of authority (See testimony at page 61, line 10 to page 61, line 22).
69	7	"	70	15	All after "No" in answer as speculation and assumption (See answer at page 70, line 14, 15).
65	13	"	66	21	Lack of knowledge of witness; speculation; conjecture; operation of mind of another.
72	4	"	72	9	Speculation; conjectural; hypothetical; hearsav.

[fol. 5898w]

Plaintiff's Exh. 343

ARTHUR T. ORNER, Morse Signal Devices, Inc.
6707 Carnegie Avenue
Cleveland 3, Ohio

Page	Line	Through	Page	Line	Grounds
9	15	"	9	20	Immaterial.
11	9	"	11	17	Conclusory; speculation.
12	21	"	12	24	Speculation.
92	24	"	94	20	Objection to form as noted; hearsay.
95	21	"	96	16	Speculative; lack of knowledge; not best evidence.
100	14	"	100	22	Hearsay; speculative; not binding on ADT.

[fol. 5898x]

Plaintiff's Exh. 345

SHELTON PHILLIPS, Potter Electric Signal Company of Ohio
108 West Sixth Street
Cincinnati, Ohio

Page	Line	Through	Page	Line	Grounds
47	9	"	47	21	Speculation and assumption; hearsay (based on testimony at page 55, line 1 through 21, inclusive of minutes of deposition of Shelton Phillips).

Page	Line	Through	Page	Line	Grounds
49	23	"	50	4	Hearsay; incompetent.
50	6	"	50	8	Hearsay; incompetent.
50	14	"	50	17	Hearsay; incompetent.
50	22	"	51	23	Hearsay; incompetent.
64	12	"	64	18	Hearsay; speculation and assumption; incompetent.
68	1	"	70	24	Hearsay; incompetent.

[fol. 5898y] Plaintiff's Exh. 346

DONALD D. PILLSBURY, National Bureau of Casualty Underwriters
125 Maiden Lane
New York 38, New York

Page	Line	Through	Page	Line	Grounds
8	21	"	13	15	Immaterial; irrelevant; predates discovery allowed by Court.

[fol. 5898s] Plaintiff's Exh. 347

HENRY J. POILE, Kedzie-Kane Alarm Company
301 North Kedzie Avenue
Chicago, Illinois

Page	Line	Through	Page	Line	Grounds
41	8	"	45	22	Hearsay; speculation and assumption.

[fol. 5898aa] Plaintiff's Exh. 348

CHARLES C. PORCH, Factory Mutual Rating Bureau
518 Turks Head Building
Providence, Rhode Island

Page	Line	Through	Page	Line	Grounds
33	11	"	34	7	Speculation; remote in time; no foundation.
40	11	"	42	27	Assumption; speculation; no foundation; witness not qualified; remote in time, immaterial; irrelevant.
51	9	"	51	16	Hypothetical, no foundation; assumption.
53	20	"	53	25	Speculation; no foundation.

[fol. 5898bb] Plaintiff's Exh. 349

WALTER W. RICHARDSON, American Alarm Company, Inc.
222 East Ohio Street
Indianapolis, Indiana

Page	Line	Through	Page	Line	Grounds
34	23	"	35	11	Incompetency of witness.
36	4	"	36	9	Conclusory; speculation.

[fol. 5898cc]

Plaintiff's Exh. 351

JAMES E. ROSE, Michigan Still Alarm Co.
10410 West Chicago Boulevard
Detroit, Michigan

Page	Line	Through	Page	Line	Grounds
5	18	"	7	15	Opinion and conclusion; hearsay; form of question, as noted.
25	15	"	26	16	Speculation; opinion and conclusions; not responsive answers.
27	12	"	28	4	Assumption and conclusion; incompetent, based on hearsay.
30	10	"	33	5	Incompetent based on hearsay; conclusions and assumption. Form of questions as noted in record.
33	6	"	34	2	Opinion and conclusion; not binding on defendant alarm companies.
35	16	"	35	24	Conclusion based on hearsay.
37	17	"	39	4	Assumptions and conclusions based on hearsay.
43	14	"	44	15	Discovery cut-off, based on colloquy from page 44, line 1 to page 52, line 12.
52	14	"	55	5	Irrelevant and immaterial; discovery cut-off; lack of authority. (See testimony at page 115, line 22.)
55	6	"	55	6	Hearsay; objection as noted; testimony based on conclusion of another.
56	13	"	56	14	Conclusion and assumption.
56	16	"	57	8	Lack of authority of Hall; characterization and conclusion.

[fol. 5898dd]

57	11	"	57	16	All after "No" upon witness's admission of no further recollection.
58	8	"	59	24	As noted in record, leading and suggestive questions (See page 57, line 11—"No" and page 59, line 9); speculation and lack of authority.
60	5	"	64	2	Irrelevant and immaterial; characterization by witness; lack of authority of Hall.
64	3	"	65	9	Leading and suggestive questions, as noted; lack of authority of Hall.
65	10	"	70	14	Incompetent; hearsay, as noted in record.
70	20	"	72	11	Hearsay; conjecture and speculation; irrelevant.

Page	Line	Through	Page	Line	Grounds
116	2	"	116	20	Not responsive—all after "department store contracts"; characterization and conclusion; lack of authority of Hall.
118	9	"	120	21	Speculation and conjecture conclusion; (See testimony from page 121, line 8 through page 124, line 11).
17	18	"	19	9	Hearsay.
88	9	"	89	15	No knowledge by witness; not binding on defendants ADT or AFA; hearsay.
98	6	"	98	16	Hearsay.

[fol. 5898ee] Plaintiff's Exh. 352

GEORGE W. SAUNDERS, Underwriters' Laboratories
205 East Ohio Street
Chicago, Illinois

Page	Line	Through	Page	Line	Grounds
30	16	"	37	6	Hearsay; speculation; witness not competent; irrelevant; immaterial.
38	9	"	41	24	Hearsay; speculation; leading question.
43	11	"	44	18	Counsel's statements not evidence; improper hypothetical question; no response by witness.
44	25	"	45	12	Leading question; speculation by witness in response to speculative question.
45	13	"	47	10	Immaterial; irrelevant; speculative; questions and answers do not pertain to Underwriters' Laboratories.

[fol. 5898ff] Plaintiff's Exh. 355

GEORGE A. SMITH, Smith Detective Agency & Nightwatch Service
610 North Akard Street
Dallas 1, Texas

Page	Line	Through	Page	Line	Grounds
7	4	"	7	8	Not binding on defendants; hearsay.
7	16	"	8	13	Not binding on defendants; hearsay.
8	21	"	8	23	Best evidence rule; not binding on defendants.
8	24	"	9	8	Hearsay; incompetent.
9	13	"	9	20	Hearsay; incompetent.
9	21	"	10	10	Not binding on defendants; hearsay; incompetent.
10	14	"	10	24	Best evidence rule; hearsay; conclusion (Line 13) and assumption not binding on defendants.
11	2	"	11	16	Hearsay.

Page	Line	Through	Page	Line	Grounds
11	24	"	12	5	Conclusion; speculation and assumption; hearsay.
12	10	"	12	18	Conclusion; speculation and assumption; not binding on defendants.
34	23	"	35	18	Witness not competent; hearsay; conclusion.
36	5	"	37	10	Irrelevant; immaterial; incompetent; opinion; speculation.
37	11	"	38	3	Not binding on defendant; hearsay.
38	13	"	40	20	Speculation and conjecture.
[fol. 5898gg]					
48	3	"	42	19	Speculation and conjecture; witness not competent.
43	8	"	44	3	Self-serving declarations; conclusions; witness not competent.
46	21	"	48	20	Speculation and conjecture; best evidence rule; not binding on defendants. Note: (Witness had no records with him—see answer page 74, line 15 of minutes of deposition of George A. Smith.)
49	20	"	50	14	Speculation and conjecture; best evidence rule; not binding on defendant.
53	2	"	53	23	Form of question; as noted in record; hearsay; irrelevant, immaterial and incompetent. See testimony on cross examinations at page 121, line 22 to page 123, line 5 of the minutes of deposition of George A. Smith and page 76, line 15 to page 78, line 3 and Volume II page 5, lines 15–22.
56	10	"	57	19	Hearsay; not binding on defendants.
59	17	"	60	17	Witness not responsible; incompetent; hearsay; best evidence rule.
65	2	"	65	6	Witness not competent.
76	15	"	78	3	Hearsay; incompetent; irrelevant, immaterial.
55	4	"	55	20	Hearsay; speculation.

[fol. 5898hh] Plaintiff's Exh. 356

MAURICE G. SONDOCK, McCane-Sondock Detective Agency
1612 Austin Street
Houston, Texas

Page	Line	Through	Page	Line	Grounds
9	13	"	9	14	Hearsay; speculation and assumption.

Page	Line	Through	Page	Line	Grounds
13	1	"	14	14	Immaterial and incompetent (See answer at page 21, line 23 to 24 of minutes of deposition of Maurice Gerson Sondock).
18	8	"	18	23	Hearsay—admitted by witness.
21	14	"	22	25	Irrelevant; immaterial and incompetent. Speculation and assumption.
23	4	"	23	10	Irrelevant; immaterial; incompetent; speculation and assumption (See answer at page 89, line 10–15 of minutes of deposition).
23	22	"	24	1	Speculation and assumption.
25	13	"	26	13	Speculation and assumption.
26	14	"	26	17	Hearsay. Witness not competent.
26	18	"	26	24	Immaterial.
26	26	"	29	21	Witness not competent. Speculation and assumption.
30	10	"	30	23	Opinion; speculation.
36	19	"	37	4	Speculative; conjectural.

[fol. 5898ii]

Plaintiff's Exh. 357

SIDNEY STACKLER, Central Watch Service
214 West Ohio Street
Chicago 10, Illinois

Page	Line	Through	Page	Line	Grounds
3	19	"	4	4	Irrelevant; pre-cutoff.
4a	14	"	5	2	Answer not responsive.
5	4	"	5	8	Answer not responsive.
8	2	"	8	4	Answer not responsive. (Second sentence.)
14	17	"	14	17	Answer not responsive. (Second sentence.)
21	13	"	21	19	Conclusion; no foundation.
21	24	"	22	5	Speculation and assumption; hearsay (See testimony page 108, line 11 to line 20).
29	8	"	29	9	Answer not responsive. (Second sentence.)
31	1	"	31	1	Answer not responsive.
31	21	"	32	3	Speculation and assumption; no foundation.
37	7	"	37	7	Speculation.
38	5	"	38	6	Answer not responsive; conclusion.
38	8	"	38	10	Form of question; leading.
38	18	"	38	18	No foundation; conclusion.
39	1	"	39	10	Speculation and assumption; operation of mind of another.
39	21	"	39	24	Hearsay.
40	2	"	40	15	Hearsay.

[fol. 5898jj]

40	17	"	46	17	Immaterial.
41	22	"	41	24	Answer not responsive; operation of mind of another.

Page	Line	Through	Page	Line	Grounds
42	17	"	42	19	Conclusion; operation of mind of another.
46	18	"	49	7	Irrelevant; pre-cutoff.
48	15	"	48	15	Form of question.
48	20	"	49	7	Immaterial and irrelevant.
49	9	"	52	15	Immaterial.
50	19	"	50	20	Form of questions, leading.
53	8	"	53	9	Form of questions, leading.
53	19	"	54	10	Answer not responsive.
54	20	"	55	12	Immaterial; form of question, leading; operation of mind of another; conclusion.
59	21	"	60	1	Answer not responsive.
60	12	"	60	15	Form of question, leading.
61	12	"	61	20	Answer not responsive. (Second sentence.)
61	25	"	61	25	Answer not responsive.
62	21	"	62	23	Answer not responsive.
65	7	"	65	16	Conclusion; operation of mind of another.
67	5	"	67	7	Form of question; leading, as noted in record.
67	13	"	67	17	Answer not responsive (following first sentence); no foundation; speculation and assumption; operation of minds of others.

[fol. 5898kk]

118	21	"	118	23	Hearsay.
148	2	"	150	8	Immaterial.
150	10	"	155	3	Immaterial.
76	24	"	77	3	Immaterial.
82	13	"	82	25	Hearsay.
88	13	"	88	21	Assumption; speculation.
109	24	"	110	9	Hearsay; vague; speculation.
141	14	"	142	6	Conjecture; speculation; hypothetical.
147	16	"	147	24	Hearsay.

[fol. 5898ll] Plaintiff's Exh. 360

ALEX VENNERS, Federal Engineering Company, Inc.
1004 Sixth Street, N.W.
Washington, D. C.

Page	Line	Through	Page	Line	Grounds
5	20	"	5	26	Not responsive; speculative and conjectural.
6	17	"	6	19	Leading question.
6	24	"	7	14	Not responsive; generalized; speculation; conjecture; "imaginings"—unless it is a statement of what "he" (Venners) said, but not Heisley.
7	19	"	8	1	Vague and indefinite—does not fix the time—answer is based on "probabilities"—speculation and conjecture.

Page	Line	Through	Page	Line	Grounds
10	9	"	10	20	Not responsive—conjectural.
11	5	"	13	12	Leading and conclusory.
11	12	"	11	14	Question assumes a fact not established and is leading.
11	24	"	11	25	Speculation and conjecture.
13	1	"	13	12	Conjecture and speculation and hearsay, e.g.—"I would find out".
13	13	"	13	17	Improper form.
13	21	"	14	1	Not responsive.
14	2	"	14	20	The testimony of this witness from page 5, line 20 has consisted of generalized speculations, conjectures, "probabilities" and "imaginings" about no specific "meeting"—the present question at page 14, line 2 assumes otherwise—Venners' answer at page 14, line 15 is almost identical with his answer to an identical question about the alleged "first meeting" at page 5, line 20 to 26.
[fol. 5898mm]					
14	22	"	18	6	Hearsay; speculation; conjecture. At page 17, line 3—the question was struck by counsel on objection; from there on the testimony is hearsay.
18	8	"	18	8	Question—bad in form and not in context—the question refers to a different job. (See answer line 9 through page 19, line 18); hearsay; speculation, conjecture.
20	1	"	20	15	Form of question; not responsive.
21	10	"			All after "No"—conclusion and speculation.
21	20	"	22	13	Hearsay.
35	1	"	35	10	Immaterial and irrelevant. (See answer at page 19, line 10). These defendants will object to all testimony within these page references relating to alleged conversations with Messrs. Bodley & Heisley on grounds of irrelevancy and immateriality and lack of authority, in an event, of said person.
22	25	"	25	10	Hearsay; lack of authority on part of Heisley; conversations not binding on ADT.
[fol. 5898nn]					
26	13	"	26	20	Hearsay.
28	2	"	29	5	Hearsay; irrelevant.

[fol. 5898oo] Plaintiff's Exh. 361

IRA E. WARLICK, Reliance Protective, Inc.
Suite 329
Court Arcade Building
Tulsa, Oklahoma

Page	Line	Through	Page	Line	Grounds
2	26	"	3	6	Speculation and conjecture.
6	7	"	8	22	Lack of authority of Smith and Simpson; speculation and conclusion; not binding, in any event, on Holmes and AFA.
8	23	"	9	20	Hearsay.
9	21	"	11	3	Immaterial; opinion and conclusion; vague and indefinite.
3	13	"	3	15	Speculation and conjecture.

[fol. 5898pp] Plaintiff's Exh. 363

SAMUEL G. WIGHT, Central Alarm Company, Ltd.
1755 Kapiolani Boulevard
Honolulu, Hawaii

Page	Line	Through	Page	Line	Grounds
6	12	"	7	14	Answer not binding on defendants; lack of authority; no identity of purported speaker.

[fol. 5899] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-2

1950

Annual Report

Grinnell Corporation
Providence 1, Rhode Island

[fol. 5900] President's Report

To be submitted at the Annual Meeting of the Stockholders on April 11, 1951.

First, I wish to express my sincere appreciation for the many congratulatory letters we have received from stockholders regarding our 100th Anniversary Brochure, issued last October, outlining the history of Grinnell and picturing Grinnell as it is today. If any of you who have become stockholders since this was issued would like a copy our Secretary would be pleased to send you one.

The year 1950 was another successful year for the Company. Earnings were $6,684,358 or the equivalent of $13.36 a share as compared with $6,256,080 or $12.51 a share in 1949. Over 45% of our 1950 earnings were made in the last three months of the year. Our volume for the year 1950 was $97,771,648. Depreciation charges for the year were $1,417,955.

During the year the Company (including its United States subsidiaries) adopted the last-in-first-out (Lifo) method of computing cost of the major part of its inventories. This resulted in a decrease of inventories and of net profit before provision for income tax of $2,040,708 and a decrease of net earnings for the year of $979,349.

Dividends paid in 1950 totaled $2.75 a share which is the largest in the Company's history.

In 1946 your Directors first authorized the reporting of our annual earnings. Over the past year your Directors have had under study the matter of publishing a certified earnings statement and, as you will note from the financial statements submitted herewith, they have approved for 1950 the issuance of such a statement certified by our auditors.

You will also note two other changes in our financial statements.

[fol. 5901] The first deals with our Canadian company, Grinnell Company of Canada, Limited, and its subsidiaries. Previously a separate balance sheet has been published with respect to these Canadian companies and their net worth, translated into United States dollars, has appeared as an investment on the balance sheet of Grinnell Corporation. This year, as you will note, we have included the figures

relating to our Canadian companies in our consolidated balance sheet and earnings statement.

The other change relates to the Surplus item on our balance sheet. In December 1935, at the time when the Company was emerging from the depression, by vote of the stockholders $5,375,000 was transferred from the Capital Stock Account to Surplus. Since that time, in every certified balance sheet we have published, out auditors have insisted on footnoting the Surplus item calling attention to this. By vote of your Board of Directors this item has now been restored to the Capital Stock Account, thus reinstating our Capital Stock Account at its original figure representing the total paid-in investment in our Company.

In 1946 the Company embarked on a mechanization and modernization program of our manufacturing plants in order to reduce cost of manufacture and to strengthen our competitive position. The mechanization of our manufacturing plants not only reduced costs but increased output which made it necessary for the Company to increase its distribution facilities. While a considerable part of our modernization program has now been completed much more still remains to be done and there is a question as to whether it will ever be completed, as it is the present policy of your Board that once a manufacturing plant is modernized it must not only be kept so but must be kept continually abreast of new developments in order to keep our cost of manufacture at the lowest possible level.

It is perhaps almost unnecessary in these days to point out in this connection that even with respect to fully depreciated equipment the depreciation reserve frequently will meet less than half of the replacement cost, requiring us to draw on current earnings for the balance.

[fol. 5902] The increase in the Company's volume has necessitated a substantial increase in the capital invested in our business. For example, our Accounts Receivable increased from $7,755,358 to $15,425,522 during 1950.

During the year we increased our investment in the Automatic Fire Alarm Company of Delaware, which I discussed at our annual meeting in 1950, and also purchased in 1950 from the New York Telephone Company all of the stock of the Holmes Electric Protective Company.

The Automatic Fire Alarm Company is engaged in furnishing central station automatic fire alarm and automatic sprinkler system supervision in New York, Philadelphia and Boston. The Holmes Company furnishes central station burglar alarm and bank vault protection service in New York, Philadelphia and Pittsburgh. Since 1907 our Company has been interested in the business of furnishing central station fire alarm and sprinkler supervisory service and it was income from this source which substantially helped the Company in weathering the last depression during which dividends were omitted for three years and the market value of our stock dropped to $4.50 a share.

The Automatic Fire Alarm and Holmes Companies are long established concerns in the same field of furnishing central station protective services and operating largely in the same areas, whose past earnings records demonstrate that they are engaged in about as depression-proof an industry as can be found.

As to the prospect for 1951, it is difficult in view of the current international situation to venture an accurate prediction. As of January 1st we had a far larger volume of uncompleted contracts and unfilled orders on hand than we had a year previous and if it were not for the restrictions which may be placed upon us by material controls and shortages, and for the uncertainty as to what future taxes will be levied on corporations, we would anticipate that 1951 would be one of our largest, if not our largest year in both volume and profit. We are confident, however, that we are sufficiently flexible to adapt ourselves, if necessary, to changing conditions. Our resources are substantial and our financial condition is sound.

[fol. 5903] Once again I wish to express my appreciation for the continued loyalty of all of our employees in helping the Company to achieve another successful year.

It is my sad duty to report the death on October 11, 1950 of Llewellyn W. Jones, former Treasurer of our Company and at the time of his death the senior member of our Board of Directors. Entering our employ as a clerk, Mr. Jones rose to Vice President and Treasurer, a position he held for over thirty years until his retirement in 1944, at which time he was appointed Financial Adviser and served in that

capacity until his death. In all, Mr. Jones served our Company with ability and distinction for over sixty years. We mourn the loss of a loyal friend.

Respectfully submitted,

James D. Fleming, President.

[fol. 5904]

Accountants' Report

To The Board of Directors,
Grinnell Corporation,
Providence, Rhode Island.

We have examined the consolidated balance sheet of Grinnell Corporation and subsidiaries as at December 31, 1950 and the related statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Inventories of raw materials, work in process, finished goods and supplies at December 31, 1950 represent amounts disclosed by the books, supported by perpetual inventory records and in part by physical inventories taken at various locations during the year. Of the total inventories as shown in the accompanying balance sheet approximately 55% was based upon physical inventories. We were present at the taking of the physical counts at some locations and made independent tests thereof. At other locations we made test counts of items in substantiation of quantities shown by the perpetual records and we reviewed the companies' methods of physical and accounting control of inventories to satisfy ourselves, as far as possible without taking physical inventories at all locations, that the inventories were fairly stated.

In our opinion, subject to what has been said above regarding inventories, the accompanying consolidated balance sheet and consolidated statements of income and surplus present fairly the financial position of Grinnell Corporation and subsidiaries at December 31, 1950 and the results of their operations for the year then ended in conformity with generally accepted accounting principles, which, except for the change (of which we approve) in inventory method, as set forth in Note 2 to financial statements, have been applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.,
(Successors to Barrow, Wade, Guthrie & Co.)

Boston, Massachusetts, March 15, 1951.

[fols. 5905-5906]

Grinnel Corporation
Consolidated Balance Sheet—December 31, 1950

Assets

Current Assets:		
Cash		$ 3,132,330.47
Accounts receivable, less reserves		15,425,522.90
Inventories: (Note 2)		
Raw materials, work in process and finished goods	$17,411,385.48	
Supplies	1,162,022.52	
Uncompleted contracts, less advance payments	2,982,845.98	
		21,556,253.98
Total current assets		$40,114,107.35
Investments:		
In subsidiaries not consolidated (at cost)	$ 6,067,689.25	
Other (at cost less markdowns)	123,836.00	
		6,191,525.25
Fixed Assets (at cost)	$26,612,133.17	
Less: Reserves for depreciation	12,957,272.97	
		13,654,860.20
Goodwill		1,000,000.00
Other Assets		203,490.75
Prepayments and Deferred Charges		415,053.77
		$61,579,037.35

Liabilities and Capital

Current and Accrued Liabilities:		
Notes payable		$ 4,500,000.00
Accounts payable		5,216,194.16
Advances from customers		500,000.00
Provisions for federal and state income taxes	$ 6,372,874.22	
Less: Advance payments	231,584.34	
		6,141,289.88
Other taxes and miscellaneous accruals		1,959,076.48
Total current and accrued liabilities		$18,316,560.52
Deferred Credits to Income:		
Advance billings of rentals and fees		390,866.70
Reserves for Contingencies		2,029,973.55
Net Worth:		
Capital Stock,—		
Authorized—700,000 Shares, without par value		
Issued and outstanding—500,000 shares at declared value	$10,375,000.00	
Income invested in the business	30,466,636.58	
		40,841,636.58
		$61,579,037.35

Notes to Financial Statements

1. The financial statements of all wholly-owned subsidiaries engaged either in the manufacture or sale of Grinnell products in the United States, Canada and Mexico have been consolidated with the financial statements of Grinnell Corporation. The assets and liabilities of the Canadian and Mexican subsidiaries are stated at their appropriate United States dollar equivalents. Other subsidiaries are shown as investments at cost.

Earnings of the unconsolidated subsidiaries have been reflected in the accompanying statements only to the extent of dividends received.

2. As of January 1, 1950 the company and its United States subsidiaries changed the method of valuing the major part of their inventories from the lower of cost or market (first in-first out) to cost (last in-first out). The effect of this change was to reduce the amount of inventories at December 31, 1950 by $2,040,708.32 and the net income for the year by $979,349.08.

[fol. 5007]

Grinnel Corporation

Consolidated Statement of Income
For the Twelve Months Ended December 31, 1950

Net Sales and services to customers	$97,771,648.23
Cost of sales and services, selling, administrative and general expenses	85,610,775.95
Net operating profit	$12,160,872.28
Other income	324,123.50
Gross income	$12,484,995.78
Other deductions	94,084.25
Net profit before provision for taxes on income	$12,390,911.53
Provision for taxes on income (Excess Profits tax $297,439.72)	5,706,553.24
Net income for the twelve months ended December 31, 1950 (Note 2)	$ 6,684,358.29
Deduct: Dividends paid	1,375,000.00
Income for the year invested in business	$ 5,309,358.29

[fol. 5908]

Grinnell Corporation

Consolidated Statement of Income Invested in the Business
For the Twelve Months Ended December 31, 1950

Surplus, January 1, 1950, (including $5,375,000.00 arising through reduction in stated value of capital stock as of December 5, 1935)		$29,113,651.26
Add:		
Income for the year invested in business		5,309,358.29
Adjustments for Canadian exchange		100,903.86
Reserves for contingencies no longer required		240,000.00
Revaluation of certain inventories at Jan. 1, 1950 required in connection with changes to LIFO basis	$1,770,691.60	
Less: Federal and State income taxes thereon	692,968.43	
		1,077,723.17
		$35,841,636.58
Less: Restoration to capital stock account of reduction in stated value as of December 5, 1935		5,375,000.00
Total income invested in the business to December 31, 1950		$30,466,636.58

[fol. 5909]

Directors

Walter H. Bennett
R. Curtis Jordan
M. Crouse Klock
William H. Carey
Allan W. Fritzsche
James D. Fleming
Gerald Whitman
Clarence H. Rison
Clifford G. Sherman

Executive Officers

President

James D. Fleming — Providence, R. I.

Treasurer

Clarence H. Rison — Providence, R. I.

Secretary and Counsel

Roger T. Clapp — Providence, R. I.

Transfer Agent

Rhode Island Hospital Trust Company
Providence, R. I.

Registrar

The Providence Union
National Bank and Trust Company
Providence, R. I.

[fol. 5910] Sales Subsidiaries of Grinnell Corporation

Grinnell Company, Inc.

Plants, Branches and Offices

Albany, N. Y	Kansas City, Mo.
Atlanta, Ga.	Memphis, Tenn.
Baltimore, Md.	Milwaukee, Wis.
Boston, Mass.	Minneapolis, Minn.
Buffalo, N. Y.	Newark, N. J.
Charlotte, N. C.	New Orleans, La.
Chicago, Ill.	New York, N. Y.
Cincinnati, Ohio	Philadelphia, Pa.
Cleveland, Ohio	Pittsburgh, Pa.
Columbus, Ohio	Providence, R. I.
Cranston, R. I.	Richmond, Va.
Dallas, Texas	Rochester, N. Y.
Denver, Col.	St. Louis, Mo.
Detroit, Mich.	St. Paul, Minn.
Houston, Texas	Warren, Ohio

Grinnell Company of the Pacific

Branches and Offices

Billings, Mont.	Pocatello, Idaho
Fresno, Cal.	Portland, Ore.
Long Beach, Cal.	Sacramento, Cal.
Los Angeles, Cal.	San Francisco, Cal.
Oakland, Cal.	Seattle, Wash.
	Spokane, Wash.

Grinnell De Mexico, S.A. de C.V.

Mexico, D. F., Mexico

American Moistening Company

Atlanta, Ga.	Charlotte, N.C.
Boston, Mass.	Providence, R. I.

Columbia Malleable Castings Corp.

Columbia, Pennsylvania

Grinnell Company of Canada, Ltd.

Plants, Branches and Offices

Montreal, Que. Vancouver, B. C.
Toronto, Ont. Winnipeg, Man.

Ontario Malleable Iron Company, Ltd.

Oshawa, Ontario

[fol. 5911] Grinnell Products

Automatic Fire Protection Systems and Equipment
Unit Heaters and Specialties
Humidification Equipment
Pipe Fittings—Pipe Hangers—Valves
Plumbing and Heating Materials
Prefabricated Piping and High Pressure Piping Installations
Welding Fittings
Constant-Support Pipe Hangers
Superseal Flared Fittings
Grinnell Saunders Valves
Grey Iron—Malleable—Brass—Bronze and Aluminum Castings

[fol. 5912] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-5

1953

Annual Report

Grinnell Corporation

Providence 1, Rhode Island

[fol. 5913]

Directors

Walter H. Bennett
R. Curtis Jordan
M. Crouse Klock
Allan W. Fritzsche
James D. Fleming
Gerald Whitman
Clarence H. Rison
Clifford G. Sherman
Roger T. Clapp

Executive Officers

President

James D. Fleming — Providence, R. I.

Treasurer

Clarence H. Rison — Providence, R. I.

Secretary and Counsel

Roger T. Clapp — Providence, R. I.

Transfer Agent

Rhode Island Hospital Trust Company
Providence, R. I.

Registrar

Industrial National Bank of Providence
Providence, R. I.

[fol. 5914] President's Report

To be Submitted at the Annual Meeting of the Stockholders on April 14, 1954.

Our Company reached a new high in volume in 1953 but profits were less than in 1952. This was due principally to lower prices.

Our total volume for the year was $146,538,709 as compared with our previous high in 1952 of $136,006,266.

Net profit, before provision for taxes on income, for 1953 was $13,784,596 as compared with $16,294,148 in 1952. Taxes on income for 1953 totaled $7,135,393 compared with $9,176,248 for 1952.

Earnings for 1953, after taxes, were $6,649,203 or the equivalent of $13.29 a share as compared with $7,117,900 or $14.23 a share in 1952. Depreciation charges for the year were $2,130,834.

The continued high level of our volume and of our working capital needs to support this amount of business has necessitated the continuance of short-term borrowings in substantial amounts. Notes Payable on short-term borrowings which stood at $8,750,000 at the beginning of the year 1953 reached a high point of $12,250,000 in May and by the year-end had been reduced to $8,200,000.

Dividends paid in 1953 totaled $3.00 per share and were the same as paid in 1952.

During the year we opened a small branch at Chillicothe, Ohio.

On July 28, 1953 the Grinnell Corporation purchased for $12,500,000 from the Western Union Telegraph Company all of the stock which they owned in the American District Telegraph Company, which is approximately 62% of its outstanding stock.

[fol. 5915] The American District Telegraph Company is engaged throughout the United States in furnishing Central Office Electric Protection Services in the fields of sprinkler system supervision, fire alarm, burglar alarm, bank vault protection and night watchman supervision. Grinnell Corporation has been associated with the American District Telegraph Company for over 45 years and their business is about as depression-proof as can be found.

Your Board of Directors was unanimous in its opinion that this was an exceptionally good purchase for the Grin-

nell Corporation. Financing arrangements were completed with The Equitable Life Assurance Society by the Grinnell Corporation borrowing $12,500,000 on an unsecured 15-year Note, repayable at the minimum rate of $800,000 a year for 14 years and $1,300,000 in the 15th year.

On December 31, 1953, Grinnell Corporation purchased 20,000 shares of the treasury stock of the Hajoca Corporation of Philadelphia, Pennsylvania at $40.00 per share and obtained an option which may be extended up to 10 years to purchase an additional 20,000 shares at a price increasing by $2.50 per share per year. Previous to Grinnell's purchase Hajorca Corporation had 200,000 shares of authorized common stock of which 146,977 were issued and outstanding.

The business of the Hajoca Corporation is principally that of distributing pipe, valves, fittings and plumbing and heating supplies through a chain of 34 branch warehouses in the eastern and southeastern part of the United States. This will give Grinnell Corporation considerable additional distribution of most of its manufactured products.

Work on our Mechanical Construction subcontract in con- [fol. 5916] nection with the new Atomic Energy Commission plant near Portsmouth, Ohio, which I reported on last year, is progressing satisfactorily. We now have over 3,000 employees engaged on this project. Our Company has performed more than two million man-hours of work on this contract without a chargeable lost-time accident. According to the National Safety Council this establishes a world record for mechanical construction.

As to the prospects for 1954, while we expect this will be a good year for the Company, at the present time it looks as though both our volume and profit will be somewhat less than they were in 1953.

I again thank all of our employees for their continued loyalty to our Company and for the effort they have expended in enabling us to operate during the past year at such a high level.

Respectfully submited, James D. Fleming, President.

Grinnell Corporation

Consolidated Balance Sheet—December 31, 1953

Assets

Current Assets:		
Cash		$ 8,229,521.59
Accounts receivable, less reserves		17,317,237.43
Inventories: (Note 2)		
Raw materials, work in process and finished goods	$28,049,836.46	
Supplies	1,195,118.11	
Uncompleted contracts, less advance payments	3,898,996.55	
		33,143,951.12
Prepaid expenses		565,560.15
Total current assets		59,256,270.29
Investments:		
In subsidiaries not consolidated, at cost	18,815,923.95	
Other, at cost less markdowns	1,001,887.63	
		19,817,811.58
Fixed Assets, at cost	35,363,825.92	
Less: Allowance for depreciation	17,459,042.00	
		17,904,783.92
Goodwill		1,000,000.00
Other Assets		701,280.78
		$98,680,146.57

Liabilities

Current Liabilities:		
Notes payable		$ 8,200,000.00
Current installment of long term note payable		800,000.00
Accounts payable		5,907,573.08
Advances from customers		1,539,713.88
Provisions for taxes on income	$ 7,145,794.18	
Less: Advance payments	366,308.28	
		6,779,485.90
Other taxes and miscellaneous accruals		3,095,147.58
Total current liabilities		26,321,920.44
Long Term Note Payable, less current installment (Note 3)		11,700,000.00
Advance Billings of Rentals and Fees		510,621.63
Reserves for Contingencies		2,022,728.14
Net Worth:		
Capital Stock:		
Authorized—700,000 shares without par value		
Issued and outstanding—500,000 shares at declared value	10,375,000.00	
Income invested in the business (Note 3)	47,749,876.36	
		58,124,876.36
		$98,680,146.57

Notes to Financial Statements

1. The financial statements of all wholly-owned subsidiaries engaged either in the manufacture or sale of Grinnell products in the United States, Canada and Mexico have been consolidated with the financial statements of Grinnell Corporation. The financial statements of the Canadian subsidiaries have been included in the consolidation on a dollar for dollar basis. Other subsidiaries are shown as investment at cost. Earnings of the unconsolidated subsidiaries have been reflected in the accompanying statements only to the extent of dividends received.

2. Approximately 78% of the inventories of raw materials, work in process, and finished goods is valued at cost on the last-in, first-out basis. The balance of the inventories is valued at the lower of cost, on the first-in, first-out basis, or market.

3. On July 27, 1953 the corporation borrowed $12,500,000. payable in annual installments during the years 1954 to 1968, inclusive. The related loan agreement, among other covenants, contains limitations on declaration of dividends and restrictions on acquisition or redemption of the corporation's own outstanding stock. The amount of the consolidated net income invested in the business so restricted at December 31, 1953 was $42,600,673.05.

[fol. 5919]

Grinnell Corporation

Consolidated Statement Of Income
For the Twelve Months Ended December 31, 1953

Net sales and services to customers	$146,538,709.42
Cost of sales and services, selling, administrative and general expenses	132,569,727.25
Net operating profit	13,968,982.17
Other income	566,920.08
Gross income	14,535,902.25
Other deductions	751,305.93
Net profit before estimated United States and Canadian income and excess profits taxes	13,784,596.32
Estimated United States and Canadian income and excess profits taxes (Excess profits taxes $10,794.45)	7,135,393.01
Net income for the year	$ 6,649,203.31

Consolidated Statement of Income Invested in the Business
For the Twelve Months Ended December 31, 1953

Balance at beginning of year	$42,600,673.05
Net income for the year	6,649,203.31
	49,249,876.36
Dividends paid—$3.00 per share	1,500,000.00
Balance at end of year (Note 3)	$47,749,876.36

[fol. 5920] Accountants' Report

To The Board of Directors,
Grinnell Corporation
Providence, Rhode Island

We have examined the consolidated balance sheet of Grinnell Corporation and subsidiaries as of December 31, 1953 and the related consolidated statements of income and income invested in the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of income and income invested in the business present fairly the financial position of Grinnell Corporation and subsidiaries at December 31, 1953 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co.

Boston, Massachusetts, March 12, 1954

[fol. 5921]

Grinnell
Plants, Branches and Offices

Albany, N. Y.
Atlanta, Ga.
Baltimore, Md.
Billings, Mont.
Boston, Mass.
Buffalo, N. Y.
Charlotte, N. C.
Chattanooga, Tenn.
Chicago, Ill.
Chillicothe, Ohio
Cincinnati, Ohio
Cleveland, Ohio
Columbus, Ohio
Cranston, R. I.
Dallas, Texas
Denver, Col.
Detroit, Mich.
Fresno, Cal.
Hartford, Conn.
Houston, Texas
Indianapolis, Ind.
Kansas City, Mo.
Long Beach, Cal.
Los Angeles, Cal.
Memphis, Tenn.
Milwaukee, Wis.
Minneapolis, Minn.
Newark, N. J.
New Orleans, La.
New York, N. Y.
Oakland, Cal.
Philadelphia, Pa.
Pittsburgh, Pa.
Pocatello, Idaho
Portland, Me.
Portland, Ore.
Providence, R. I.
Richmond, Va.
Rochester, N. Y.
St. Louis, Mo.
St. Paul, Minn.
Sacramento, Cal.
San Francisco, Cal.
San Jose, Cal.
Santa Barbara, Cal.
Seattle, Wash.
Spokane, Wash.
Warren, Ohio

American Moistening Company

Atlanta, Ga.
Boston, Mass.
Camden, N. J.
Charlotte, N. C.
Providence, R. I.

Columbia Malleable Castings Corp.
Columbia, Pennsylvania

Grinnell Company of Canada, Ltd.

Edmonton, Alta.
Montreal, Que.
Toronto, Ont.
Vancouver, B. C.
Winnipeg, Man.

Ontario Malleable Iron Company, Ltd.
Oshawa, Ontario

Grinnell De Mexico, S.A. de C.V.
Mexico, D. F., Mexico

[fol. 5922] Grinnell Products

Automatic Fire Protection Systems and Equipment
Unit Heaters and Specialties
Humidification Equipment
Pipe Fittings—Pipe Hangers—Valves
Plumbing and Heating Materials
Prefabricated Piping and High Pressure Piping Installations
Welding Fittings
Constant-Support Pipe Hangers
Superseal Flared Fittings
Grinnell Saunders Valves
Grey Iron—Malleable—Brass—Bronze and Aluminum Castings

[fol. 5923] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-39

Grinnell

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butt welding fittings	wf-1/141
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[fol. 5936] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-40

Automatic Fire Alarm Company of Delaware
Balance Sheet
December 31, 1948

Assets

Current Assets		
Cash	$185,848.46	
Investment in United States Treasury Notes, at current redemption value	66,484.50	$ 252,332.96
Investment in Grinnell Corporation		
37,980 shares of capital stock (Note)		638,497.40
Loan Receivable Secured By Second Mortgage		
416 Broadway, New York, N. Y.		20,000.00
Investment in Subsidiaries:		
Automatic Fire Alarm Company (a New York corporation):		
63,300 shares of capital stock, 91.7% of the outstanding stock, at cost, less reserve of $214,503.25 for revaluation to net book equity at December 31, 1948		775,561.13
The Reeve Electrical Company, Inc.:		
100 shares of capital stock, 100% of the outstanding stock, at cost		300.00
Loan Receivable		13,000.00
		$1,697,691.49

Note:
The market value of this investment in stock of Grinnell Corporation at December 31, 1948 based on the closing bid price of $30 per share was $1,139,400.00.

[fol. 5937]

Liabilities

Current Liabilities		
Accounts payable and accrued expenses	$3,518.02	
Taxes accrued and payable, other than federal income tax	1,102.95	
Federal income tax, estimated	4,950.00	$ 9,570.97
Capital Stock and Surplus		
Capital stock at $25 par value:		
Authorized—70,000 shares		
Issued —63,862 shares	$1,596,550.00	
Surplus	106,048.52	
	$1,702,598.52	
Less:		
Capital stock held in treasury, 562 shares at cost	14,478.00	1,688,120.52
		$1,697,691.49

[fol. 5938] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-43

Agreement made this 28th day of February, 1949, between Marine Midland Trust Company of New York, herein called the "Bank", and Grinnell Corporation, a Delaware corporation, herein called "Grinnell".

Witnesseth:

1. The Bank represents that at or before 2 p.m. on April 5, 1949 there will be deposited with it certificates representing 32,283 shares (par value $25 each) out of a total of 63,300 shares issued and outstanding of Automatic Fire Alarm Company of Delaware, a Delaware corporation, and that it has been authorized by the owners of said deposited stock to make this agreement.

2. In consideration of the payment to it by Grinnell of $100,000, the receipt of which is hereby acknowledged, the Bank hereby grants to Grinnell an irrevocable option, exercisable on or before 3 p.m., March 31, 1949 by written notice to the Bank, to purchase all of said deposited stock for a cash price of $40 per share less said payment of $100,000, namely, for the sum of $1,191,320. If said option is so exercised, the delivery of said stock and other documents herein provided shall be made at 2 p.m. on April 5, 1949 at the principal office of the Bank against payment therefor in New York funds. If said option shall not be so exercised and said purchase completed, said sum of $100,000 shall be forfeited by Grinnell.

3. If said option shall be so exercised, the Bank shall on payment to it of said sum of $1,191,320 deliver to Grinnell:

[fol. 5939] a. Certificates duly endorsed and stamped for transfer and free and clear of any lien or other encumbrance for 32,283 shares of said common stock of Automatic Fire Alarm Company of Delaware.

b. Written resignations of Messrs. Charles S. Payson, R. Howard Webster, Wildey C. Rickerson, John A. Weingart and Hugh G. M. Kelleher as directors of said Automatic Fire Alarm Company of Delaware and of its subsidiary Automatic Fire Alarm Company (New York corporation) and of Messrs. Payson, Riskerson

and Weingart as members of the Executive Committees of the Board of Directors of said Automatic Fire Alarm Company of Delaware and of said Automatic Fire Alarm Company. Simultaneously said Bank shall cause to be held meetings of the Board of Directors of said Automatic Fire Alarm Company of Delaware and of said Automatic Fire Alarm Company at which said resignations shall be accepted and nominees of Grinnell shall be elected to fill the vacancies caused thereby.

c. If said purchase of said stock shall be completed and said stock transferred after March 28, 1949, being the record date fixed for determining stockholders entitled to vote at the annual meeting of said Automatic Fire Alarm Company of Delaware to be held on April 21, 1949, said Bank shall deliver also irrevocable proxies to Grinnell Corporation or its nominee from the registered holders of said 32,283 shares on said record date to vote said 32,283 shares at said annual meeting.

4. From the date hereof and until the expiration of this option or the completion of the purchase of said stock if this option shall be exercised, whichever shall last occur, it is agreed by the Bank and shall be a condition of this agreement as follows:

a. None of the 562 shares of its common stock now in its treasury shall be issued or otherwise disposed of by said Automatic Fire Alarm Company of Delaware.

b. There will be no changes made in the Bylaws of the Automatic Fire Alarm Company of Delaware or of the Automatic Fire Alarm Company.

[fol. 5940] c. Neither the Automatic Fire Alarm Company of Delaware or the Automatic Fire Alarm Company will enter into any contracts, commitments or transactions or dispose of any assets (including Grinnell Corporation common stock) except the Brooklyn Building, which is under contract for sale, except in the ordinary and regular course of business, nor declare any further dividends.

d. Representatives of Grinnell Corporation shall be permitted to inspect and check all books, contracts and records of every nature of Automatic Fire Alarm Company of Delaware and all of its subsidiaries.

Executed in duplicate original.

Marine Midland Trust Company, By —— ——, Vice Pres. Grinnell Corporation, By Roger T. Clapp, Secretary

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[fol. 5941] In United States District Court

Defendant's Exhibit J-44

New York, N. Y.

March 23, 1949.

On the call of the President, the regular monthly meeting of the Executive Committee of the Board of Directors of Grinnell Corporation was held on this 23rd day of March, 1949, at the Union League Club, New York, N. Y., at six-thirty o'clock in the evening, pursuant to notice duly sent to all members of the Committee.

Present: Messrs. Bennett, Fleming, Rison, being a majority and quorum of the Committee.

The President presided and the Secretary kept the records of the meeting.

* * * * * * *

President's Report

The President submitted an oral report covering the status of business in all fields and reporting further manufacturing plant cut-backs. Referring to the authorization given by the Directors at their meeting on February 23, 1949, he reported that the Company had exercised its option to purchase 51% of the outstanding stock of the Automatic Fire Alarm Company of Delaware at $40 per share and that the Company had designated, in addition to Mr. [fol. 5942] Clapp, Messrs. Fleming, Rison and Jones as its nominees on the Boards of Directors of the Automatic Fire Alarm Company of Delaware and its subsidiary, the Automatic Fire Alarm Company.

Upon motion, duly made and seconded, it was unanimously

Voted: That the President's report be received.

* * * * * * *

Secretary authorized to execute proxy revoting stock in AFA Company of Delaware

Upon motion, duly made and seconded, it was unanimously

Voted: That the Secretary be authorized to execute a proxy appointing J. D. Fleming, with power of substitution, to vote the stock owned by this Company in the Automatic Fire Alarm Company of Delaware at its annual meeting to be held on April 21, 1949.

Adjourned.

Attest:

[illegible]er T. Clapp, Secretary

[fol. 5943] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-45

NEW YORK TELEPHONE COMPANY
140 West Street, New York 7, N. Y.
EXchange 4-4600

Willard G. Hampton
Assistant Vice President

February 20, 1950.

Mr. J. D. Fleming, President,
Grinnell Corporation,
Providence, Rhode Island.

Dear Mr. Fleming:

Enclosed is the Holmes Electric Protective Company material we discussed this morning. It includes

1. Current union contract in New York. The Philadelphia and Pittsburgh contracts are under negotiation at this time.
2. Principal customer contract.
3. Revenue, expense and net income on consolidated basis by years 1935 through 1949.
4. Net income information by years 1921 through 1949

for the parent company. This includes dividends received from the Philadelphia and Pittsburgh companies.

Mr. Ward will mail you copies of the income statement and balance sheets within a few days. Also, I will send you the general factual data which we are preparing as soon as they are ready. Please do not hesitate to call on me for any further information you may wish.

Yours very truly, W. G. Hampton, Assistant Vice President.

Attachments.

[fol. 5944]

Holmes Electric Protective Company and Its Subsidiaries

Consolidated Income Statements

	Year 1949	Year 1948	Year 1947	Year 1946	Year 1945	Year 1944	Year 1943	Year 1942	Year 1941	Year 1940	Year 1939	Year 1938	Year 1937	Year 1936	Year 1935
Revenues from Electric Protective and Patrol Services:															
Commercial	$4,898,167	$4,567,345	$4,082,165	$3,701,303	$3,387,540	$3,160,316	$2,936,348	$2,786,057	$2,582,279	$2,496,536	$2,480,465	$2,526,289	$2,593,262	$2,455,041	$2,431,753
Residential	110,993	106,193	95,703	92,719	96,801	105,093	111,477	109,783	109,707	109,026	113,837	115,924	106,148	107,226	104,154
Patrol	96,251	185,251	230,300	241,439	401,953	506,751	535,742	580,407	436,856	368,359	382,877	367,216	404,773	392,186	404,445
Other	27,895	31,268	30,968	36,627	36,076	37,056	36,821	30,598	33,222	31,778	28,871	26,189	36,901	30,040	40,318
Total Operating Revenues	5,133,306	4,890,057	4,439,136	4,072,088	3,922,370	3,809,216	3,620,388	3,506,845	3,162,064	3,005,699	3,006,050	3,035,618	3,087,084	2,984,493	2,980,670
Operating Expenses—Electric Protective and Patrol Services:															
Current Maintenance	358,250	416,948	370,709	316,502	300,982	271,417	282,438	276,197	263,373	267,564	268,399	301,501	285,638	294,018	280,137
Depreciation Expense	250,024	285,975	257,331	225,932	204,986	194,585	192,007	188,634	182,492	178,643	179,205	225,987	224,365	253,342	255,283
Traffic Expense	1,955,508	1,751,961	1,578,190	1,370,162	1,179,412	1,077,130	1,015,156	956,390	924,704	926,913	931,240	958,392	926,532	902,985	896,762
Leased Wires and Circuits	538,694	494,970	445,691	387,977	335,409	313,949	293,002	283,599	265,804	257,167	257,989	256,166	258,500	246,086	243,107
Commercial Expenses	225,148	229,772	221,519	202,461	178,995	172,433	171,505	181,650	181,646	186,863	183,311	188,442	188,197	185,343	186,201
Patolmen and Watchmen's Wages and Expenses	77,257	145,143	172,566	191,295	347,023	411,428	424,773	455,968	336,466	286,660	288,395	288,160	315,434	305,117	311,529
General and Miscellaneous Expenses	777,693	573,510	523,162	462,796	430,387	410,896	413,407	403,303	357,226	332,624	309,911	332,925	316,602	329,756	321,559
Total Operating Expenses	4,182,574	3,898,279	3,569,168	3,157,125	2,977,194	2,851,838	2,792,288	2,745,741	2,511,711	2,436,434	2,418,450	2,551,573	2,515,268	2,516,647	2,494,579
Net Operating Revenues	950,732	991,778	869,968	914,963	945,176	957,378	828,100	761,104	650,353	569,265	587,600	484,045	571,816	467,846	486,091
Other Income (Net)	100,164	166,951	153,582	127,292	29,114	66,274	92,402	118,973	66,900	47,947	40,605	23,312	46,359	123,125	76,559
Total Income—before Taxes	1,050,896	1,158,729	1,023,550	1,042,255	974,290	1,023,652	920,502	880,077	717,253	617,212	628,205	507,357	618,175	590,971	562,650
Federal Taxes on Income	291,968	337,949	290,351	307,965	409,633	419,821	373,838	313,072	204,522	104,838	65,585	58,497	31,824	76,343	60,656
Other Taxes	318,275	288,031	271,802	238,579	246,473	340,625	244,445	272,958	252,475	231,960	230,612	277,007	275,450	202,473	167,360
Total Taxes	610,243	625,980	562,153	546,544	656,106	760,446	618,283	586,030	456,997	336,798	296,197	335,504	307,274	278,816	228,016
Net Income	440,653	532,749	461,397	495,711	318,184	263,206	302,219	294,047	260,256	280,414	332,008	171,853	310,901	312,155	334,634
Amount applicable to Stocks of Subsidiaries held by public	4,703	3,649	2,940	3,587	3,942	3,654	3,900	3,528	3,187	3,465	3,415	3,318	4,339	4,744	4,927
Consolidated Net Income applicable to Stock of the Company	$ 435,950	$ 529,100	$ 458,457	$ 492,124	$ 314,242	$ 259,552	$ 298,319	$ 290,519	$ 257,069	$ 276,949	$ 328,593	$ 168,535	$ 306,562	$ 307,411	$ 329,707

2-20-50

[fol. 5945]

Holmes Electric Protective Company (New York)

	Net Income	Net Income Per Shares*	Gross Revenues	Number of Commercial Lines
1920				
21	188,117	6.03	1,974,343	—
22	161,176	5.17	2,101,706	—
23	183,570	5.88	2,133,115	—
24	120,341	3.86	2,252,130	7,840
1925	359,744	11.53	2,519,898	8,667
26	401,566	12.87	2,822,443	9,503
27	411,598	13.19	3,052,638	10,216
28	570,015	18.27	3,151,964	10,398
29	614,401	19.69	3,385,744	10,477
1930	570,084	18.27	3,292,370	10,034
31	529,574	16.97	3,109,996	9,131
32	395,026	12.66	2,711,459	7,814
33	409,712	13.13	2,498,225	7,655
34	443,648	14.19	2,528,080	7,783
1935	326,569	10.47	2,536,865	7,709
36	287,925	9.23	2,548,167	7,868
37	318,652	10.21	2,616,486	8,101
38	164,723	5.28	2,509,219	7,895
39	281,767	9.03	2,549,469	9,036
1940	277,720	8.90	2,702,169	9,121
41	256,195	8.21	2,869,775	9,570
42	277,809	8.90	3,079,489	9,779
43	365,590	11.72	3,142,641	10,225
44	452,675	14.51	3,417,888	11,213
1945	302,468	9.69	3,314,815	11,983
46	473,557	15.18	3,637,790	13,402
47	430,152	13.79	3,956,114	14,449
48	505,307	16.20	4,378,455	15,465
49	393,973	12.63	4,527,339	15,397

* On basis of 31,200 shares.

2-20-50

[fol. 5946] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-47

Agreement Dated April 14, 1950 Between New York Telephone Company and Grinnell Corporation

[fol. 5947] Agreement dated this 14th day of April, 1950 between New York Telephone Company (hereinafter referred to as the "Seller"), a New York corporation, and Grinnell Corporation (hereinafter referred to as the "Buyer"), a Delaware corporation.

Witnesseth:

Whereas, the Seller desires to sell and the Buyer desires to purchase, on the terms and conditions hereinafter set forth, 31,200 shares of capital stock of Holmes Electric Protective Company (hereinafter referred to as the "Company"), a New York corporation:

Now, Therefore, in consideration of the mutual covenants herein contained, it is mutually agreed as follows:

1. *Sale and Purchase of Stock.*

Subject to the terms and upon the conditions hereinafter set forth, the Seller agrees to sell, transfer and convey to the Buyer, and the Buyer agrees to purchase, 31,200 shares of capital stock of the Company for the sum of $4,256,000.00 (such sum being hereinafter sometimes referred to as the "Purchase Price").

2. *Deposit.*

Simultaneously with the execution of this Agreement, [fol. 5948] the Buyer has deposited with the Seller $100,000.00, receipt whereof is hereby acknowledged by the Seller. If the Buyer performs all the agreements to be performed by it herein up to and including the Closing, as hereinafter defined, the sum of $100,000.00 (without interest) shall be credited by the Seller against the Purchase Price. If the Buyer shall fail to perform any of the agreements to be performed by it hereunder up to and including the Closing, the Seller shall have the right, to be exercised by giving notice in writing to the Buyer, to terminate this Agreement and to retain as liquidated damages such deposit of $100,000.00, in which event all rights and liabilities of the parties hereto shall cease and terminate. If this Agreement shall not be closed by reason of the occurrence of any of the conditions set forth in Section 6 hereof, the Seller shall forthwith return the amount of the deposit (without

interest) to the Buyer, in which event all rights and liabilities of the parties shall cease and terminate.

3. *Time and Place of Closing.*

The Closing of this Agreement shall be held at the office of the Seller, Room 2800, 140 West Street, New York, N.Y., at 9 a.m., Eastern Standard Time, on April 21, 1950, or at such other time and date as the Seller and the Buyer may mutually agree upon. The time and date of Closing is hereinafter referred to as the "Closing". At the Closing, [fol. 5949] the Seller shall deliver to the Buyer, free and clear of all liens and encumbrances, a certificate or certificates for the shares to be sold to it, duly assigned to the Buyer, with all requisite Federal and New York State stock transfer stamps attached. Upon such delivery, the Buyer shall pay or cause to be paid to the Seller the amount of the Purchase Price, less the amount of the Deposit referred to in Section 2 hereof, by certified or bank cashier's check or checks payable to the order of the Seller in New York Clearing House funds.

4. *Representations of Seller.*

(a) *Capitalization of Company.* The Seller represents and warrants that the Company is duly organized and existing and in good standing under the laws of the State of New York, that the duly authorized and issued capital stock of the Company, all of which is owned by the Seller, consists of 31,200 shares of common stock of the par value of $50. per share and that all of such issued capital stock is fully paid and non-assessable.

(b) *Capitalization of Subsidiaries.* The Seller represents and warrants that Holmes Electric Protective Company of Philadelphia, Holmes Electric Protective Company of Pittsburgh and Pittsburgh Fire Protection Company, all Pennsylvania corporations (all of such corporations being hereinafter sometimes referred to as "Subsidiaries"), are duly organized and existing and in good standing under the [fol. 5950] laws of the State of Pennsylvania and that all of the issued capital stock of each such Subsidiary is fully paid and non-assessable. The capitalization of each of these Subsidiaries is as follows:

(i) *Holmes Electric Protective Company of Philadelphia.* The duly authorized and issued capital stock of this Subsidiary, all of which is owned by the Company, consists of 8000 shares of common stock of the par value of $25. per share.

(ii) *Holmes Electric Protective Company of Pittsburgh.* The duly authorized and issued capital stock of this Subsidiary, 1682 shares of which are owned by the Company, consists of 2000 shares of common stock of the par value of $50. per share

(iii) *Pittsburgh Fire Protection Company.* The duly authorized and issued capital stock of this Subsidiary consists of 5000 shares of common stock of the par value of $50. per share, of which 4400 shares are held in the treasury of the Pittsburgh Fire Protection Company and 600 shares are owned by Holmes Electric Protective Company of Pittsburgh.

(c) *Financial Statements.* The Seller has delivered to the Buyer annual reports of the directors of the Company for the calendar years 1948 and 1949. Such annual reports contain consolidated balance sheets of the Company and Subsidiaries as of December 31, 1947, 1948 and 1949 and consolidated income statements of the Company and Subsidiaries for the years 1947, 1948, and 1949, all certified to [fol. 5951] by Lybrand Ross Bros. & Montgomery. There is attached hereto, as Exhibit A, a consolidated balance sheet of the Company and Subsidiaries as of March 31, 1950 and consolidated income statement of the Company and Subsidiaries for the three months ended March 31, 1950, all certified to by the Auditor of the Company. Such consolidated balance sheets and consolidated income statements respectively contained in such annual reports and in Exhibit A are, in the opinion of the Seller, correct and complete and fairly present the financial position of the Company and its Subsidiaries as of the respective dates of such consolidated balance sheets and the results of the operations of the Company and its subsidiaries for the periods covered by such consolidated income statements. The accounts of the Company and Subsidiaries, from which such consolidated balance sheets and consolidated income

statements have been prepared, are, in the Opinion of the Seller, kept in accordance with generally accepted accounting principles consistently maintained throughout the periods covered by such financial statements.

(d) *Employment Contracts.* The Seller represents and warrants that neither the Company nor any of its Subsidiaries has any contracts of employment with any officer or employee except contracts arising from the ordinary relationship of employer and employee, agreements with unions representing employees and an employment contract, expiring on June 30, 1952, under which Benjamin J. Leonard, an employee of Holmes Electric Protective Company of Philadelphia, is paid a monthly salary of $450. and sales bonuses under the established practices of that Subsidiary.

[fol. 5052] (e) *Litigation.* Subject to the provisions of Section 9(a) hereof, all of the litigation and proceedings pending against the Company, or to the knowledge of the Company threatened against the Company or its Subsidiaries, except cases arising out of personal injuries or property damages where the liability, if any, of the Company or its Subsidiaries is covered by insurance and other cases as to which the liability, if any, of the Company or its Subsidiaries does not in the aggregate exceed $10,000, is listed in Exhibit B attached hereto.

5. *Conduct of Business since March 31, 1950.*

The Seller warrants and agrees that since March 31, 1950 and prior to the Closing:

(a) No change has been, or shall be made, without the Buyer's prior consent, in the certificate of incorporation or bylaws of the Company or its Subsidiaries or in the amount of the outstanding capital stock of the Company or its Subsidiaries.

(b) No change has been made, or shall be made, in the manner of conducting the business of the Company and its Subsidiaries, except as permitted by this Agreement.

(c) There has been no change, and there shall be no change, in the condition of assets or liabilities of the Company and its Subsidiaries as reflected in the aforesaid March 31, 1950 balance sheets, other than changes in the ordinary course of business, and except that the Holmes Electric

Protective Company of Philadelphia will borrow from the Company a sum not in excess of $80,000, and except as permitted by this Agreement.

(d) No dividends or other distributions or payments have been declared or made, or shall be declared or made, in [fol. 5953] respect of the capital stock of the Company or any of its Subsidiaries, except that the Company and its Subsidiaries shall declare and pay dividends to the holders of their capital stock, in an amount equal to the amount of the unappropriated surplus of the Company and each of its Subsidiaries, as shown by the books of the respective companies, as of March 31, 1950, except that the unappropriated surplus shall not be reduced below $8,623 in the case of Holmes Electric Protective Company of Pittsburgh and $1,377 in the case of Pittsburgh Fire Protection Company, nor will the Company or any Subsidiary directly or indirectly redeem, purchase, or otherwise acquire any of its capital stock.

(e) No increase has been made, or shall be made, without the consent of the Buyer, in the rate of compensation payable or to become payable by the Company or its Subsidiaries to any officer, employee or agent except progression increases in accordance with the established practices of the Company or its Subsidiaries, nor shall any bonus payment or arrangement be made by the Company or its Subsidiaries to or with any officer, employee or agent, except in accordance with the established bonus practices now in effect.

(f) No contract or commitment has been entered into, or shall be entered into, by or on behalf of the Company or any of its Subsidiaries extending beyond December 31, 1950, except the agreement dated April 1, 1950, a copy of of which has been furnished to the Buyer, relating to the leasing of circuits by the Seller to the Company and except commitments in the ordinary course of business, including [fol. 5954] agreements with customers, or as permitted by this Agreement.

(g) No change has been made, or shall be made, in the insurance of the Company or any of its Subsidiaries in force on March 29, 1950, as shown by a schedule, dated March 29, 1950, of the insurance furnished to the Buyer by the Seller.

6. *Conditions Precedent to Obligations of Seller or Buyer*

The obligations of the Seller or the Buyer under this Agreement are subject to the fulfillment of the following conditions at or prior to the Closing:

(a) The performance by the other party of all agreements to be performed by it hereunder.

(b) This Agreement shall have been duly authorized or approved by the directors of the Seller.

(c) The Seller shall have obtained release of the stock to be sold and transferred hereunder, free and clear of the lien of any outstanding mortgage or indenture to which the Seller is a party, in accordance with the provisions of such mortgage or indenture and free and clear of all liens of any nature whatsoever.

(d) All steps or proceedings taken in connection with the transactions contemplated by this Agreement, and all documents incident thereto, shall be satisfactory in form and substance to counsel to the Seller and counsel to the Buyer.

(e) The existing leases between the Seller and the Company relating to space in buildings of the Seller shall be amended as provided in the form of agreement attached [fol. 5955] hereto as Exhibit C.

(f) Agreements shall have been executed by the Seller and the Company and the Company's Subsidiaries, effectively cancelling the existing agreements for the interchange of benefit obligations between the Company and its Subsidiaries and the Seller and other Bell System Companies under their respective Plans for Employees' Pensions, Disability Benefits and Death Benefits.

(g) No injunction or stay, temporary or permanent, in respect to the consummation of the transactions, or any part of any transaction, contemplated by this Agreement, shall have been entered and remain in effect on the date of the Closing or proceedings for any such purpose shall be pending on the date of Closing.

7. *Personnel.*

The Buyer has assured the Seller that, during the period of one year from the date of Closing, no employee of the Company or any of its Subsidiaries will be laid off or dismissed or discharged, except for cause, without being paid

a separation payment of at least one week's pay for each year of service with the Company or any of its Subsidiaries.

[fol. 5956] 8. *Buyer's Access to Information.*

The Seller will cause the Company or any of its Subsidiaries to give to the Buyer and to the Buyer's counsel, accountants, engineers and other representatives full access at reasonable times to all of the properties, books, contracts, commitments and records of the Company and its Subsidiaries and to furnish to the Buyer all such documents and copies of documents and information with respect to the affairs of the Company and its Subsidiaries as the Buyer from time to time may reasonably request.

9. *Other Provisions.*

(a) It is expressly understood that no adjustment in the Purchase Price will be made by reason of any tax liability to which the Company or any of its Subsidiaries may be subject on the date of Closing and that the Seller shall be subject to no claim or liability to the Buyer for taxes, of any nature whatever, hereafter imposed or asserted against the Company or any of its Subsidiaries.

(b) Subject to the provisions of paragraph (a) of this Section 9, the Buyer is not making this purchase in reliance on any statement, representation or warranty made by the Seller or any one else with respect to the Company or its Subsidiaries or the shares of the Company, except the statements, representations and warranties made in Sections 4 and 5 hereof. Only the statements, representations and warranties expressly made in Sections 4 and 5 hereof shall survive the Closing hereunder.

(c) The Buyer (i) agrees that it hereby waives and re- [fol. 5957] leases any any all claims which it may now have or hereafter have, by reason of the execution of this Agreement or the purchase of the stock of the Company, against any present or past officers or directors of the Company and its Subsidiaries or against the Seller by reason of any act, matter, cause or thing whatsoever, up to and including the date of Closing, with respect to the Company or any of its Subsidiaries or the stock thereof, excepting, however, any right or claim which the Buyer may hereafter have against

the Seller arising out of the provisions of Sections 4 and 5 hereof and (ii) the Buyer hereby indemnifies and saves harmless any present or past officers of the Company or any of its Subsidiaries against any claims which may be asserted by reason of any act, matter, cause or thing whatsoever done by the Company or any of its Subsidiaries, in the operation of their business, up to and including the date of Closing.

(d) In any litigation or proceedings, including Workmen's Compensation proceedings or proceedings before any governmental body, pending at the date of Closing in which the Company is represented by attorneys in the Legal Department of the Seller, the Buyer, as promptly as reasonably possible after the Closing, shall cause the Company to substitute other attorneys or counsel and the Seller agrees to furnish such information and assistance as may be reasonably required to acquaint such other attorneys or counsel with such litigation or proceedings.

[fol. 5958] (e) At any time after the Closing, the Buyer shall cause the Company, up to and including 10 years after the date of this Agreement, to make available to the Seller such information, records and data in the possession of the Company or its Subsidiaries as may be reasonably required from time to time by the Seller in connection with the federal tax returns of the Seller for any year prior to 1951.

(f) The Seller will use its best efforts to preserve the business of the Company and its Subsidiaries and the good will of the Company's and its Subsidiaries' customers and others having business relations with the Company and its Subsidiaries.

(g) The Buyer represents that its purchase hereunder of the Company's stock is being made for its own account for investment and not with a view to, or for sale in connection with, the disposition thereof and with no present intention of distributing or reselling such stock.

(h) Each party to this Agreement respectively warrants and represents that all negotiations relative to this Agreement and the transactions contemplated hereby have been carried on by each party directly with the other party without the intervention or mediation of any broker. It is understood that the Seller shall pay no brokerage or other com-

missions in connection with this Agreement or any transaction contemplated hereby.

(i) At the Closing, the Seller will make available to the Buyer, the written resignations, except as otherwise requested by the Buyer, of the Company's directors.

[fol. 5959] (j) The Seller and Buyer shall each bear all expenses incurred by them respectively in connection with this Agreement and any transaction contemplated by it.

(k) This Agreement shall be construed and enforceable in accordance with the laws of the State of New York.

(l) This Agreement shall not be assignable by the Buyer except with the written consent of the Seller.

(m) Any notice required or permitted to be given under this Agreement shall be deemed to be sufficiently given if sent by registered mail to the Seller addressed to it at 140 West Street, New York 7, New York, and to the Buyer addressed to it as 260 West Exchange Street, Providence 1, R. I.

In Witness Whereof, the parties hereto have executed this Agreement as of the day and year first written above.

New York Telephone Company, By Keith G. McHugh, President. Grinnell Corporation, By J. W. Fleming, President, [Seal]

Attest:

(Signature illegible), Assistant Secretary.

Attest:

Roger T. Clapp, Secretary.

[fol. 5960] EXHIBIT "A"

Holmes Electric Protective Company and Subsidiaries
Comparative Consolidated Balance Sheet

Assets

	March 31, 1950	December 31, 1949
Plant:		
Plant and equipment for furnishing protective services, comprising:		
Land and Building	$99,861	$99,861
Central Office Equipment	1,620,086	1,611,636
Station Equipment	2,338,511	2,298,833
Underground Conduit	12,604	21,451
Underground Cable	23,323	180,746
Aerial Lines and Cable	46,354	39,518
Furniture, Office Equipment, Vehicles, Tools, etc.	198,880	197,634
Total Plant	$4,344,619	$4,449,679
Current Assets:		
Cash	$532,634	$199,312
Temporary Cash Investments	695,000	685,000
United States short-term obligations		
Special Cash Deposits	1,403	1,445
Working Funds	4,000	4,000
Held by employees		
Accounts Receivable	222,410	236,542
Amounts due for services (less provision for uncollectible accounts), interest and sundry items		
Material and Supplies	276,354	281,189
Principally for construction and maintenance purposes		
Total Current Assets	$1,731,801	$1,407,438
Prepayments and Deferred Charges:		
Prepayments	$19,093	$10,064
Insurance and other prepayments applicable to period after close of period		
Insurance Fund	66,720	66,720
Securities deposited with State of New York under Workmen's Compensation Act		
Anticipated Refund of Federal Taxes on Income and Interest thereon	None	244,230
Other Deferred Charges	3,367	1,116
Total Prepayments and Deferred Charges	$89,180	$322,130
Total Assets	$6,165,600	$6,179,297

J. A. Mahoney, Auditor

[fol. 5961]

Holmes Electric Protective Company and Subsidiaries

Comparative Consolidated Balance Sheet

Liabilities

	March 31, 1950	December 31, 1949
Capital Stock..... Par value of Common Stock outstanding (Authorized and outstanding— 31,200 shares of $50.00 par value each)	$1,560,000	$1,560,000
Current and Accrued Liabilities:		
Customers' Installation Deposits..... Deposits as security for installation charges	$37,054	$27,401
Accounts Payable and Other Current Liabilities.	162,068	221,363
Accrued Liabilities:		
Taxes.....	632,210	610,162
Provision for penalties on contested taxes....	151,151	141,415
Total Current and Accrued Liabilities.....	$982,483	$1,000,341
Depreciation Reserve..... Provision to meet loss of investment in plant upon its ultimate retirement from service	$2,371,882	$2,403,286
Deferred Credits..... Miscellaneous items the final disposition of which had not been determined at close of period	$227,906	$223,734
Minority Interest..... Equity of minority stockholders in Capital Stock and Surplus of subsidiary companies	26,642	26,135
Unappropriated Surplus..... Analysis of change 1/1/50 to 3/31/50	996,687	965,801
Net Income (See Income Statement).. $101,086		
Dividends Paid..... 70,200		
Net Increase..... $30,886		
Total Liabilities.....	$6,165,600	$6,179,297

J. A. Mahoney, Auditor.

[fol. 5962] Holmes Electric Protective Company and Subsidiaries

Comparative Consolidated Income Statement

	Jan. 1, 1950 to Mar. 31, 1950	Year 1949
Revenues from Electric Protective and Patrol Services:		
Commercial	$1,231,978	$4,698,167
Residence	26,507	110,903
Patrol	17,990	96,251
Watch Signal and Miscellaneous Services	8,402	33,745
Less—Uncollectible Operating Revenues	2,073	5,850
Provision for revenues which may be uncollectible		
Total Operating Revenues	$1,282,804	$5,133,306
Operating Expenses—Electric Protective and Patrol Services:		
Current Maintenance	$113,716	$358,250
Cost of inspection, repairs, and rearrangements required to keep the plant and equipment in good operating condition		
Depreciation Expense	64,017	250,024
Representing approximately 6 per cent of average investment in depreciable plant		
Traffic Expenses	473,833	1,955,508
Cost incurred in operating circuits, answering alarms, and supervising the opening and closing of customers' premises		
Leased Wires and Circuits	140,146	538,694
Rental and miscellaneous expense of conductors and conduits between customers' premises and central offices		
Commercial Expenses	65,332	225,148
Costs incurred in business relations with customers and cost of advertising and sales activities		
Patrolmen and Watchmen's Wages and Expenses	14,129	77,257
Principally wages		
General and Miscellaneous Expenses:		
Provision for employees' service pensions	67,871	245,532
Employees' sickness, accident, death and other benefits	28,912	113,501
Administrative and general expenses	69,478	238,644
Extraordinary expenses in connection with strike in New York	None	180,016
Total Operating Expenses	$1,037,434	$4,182,574
Net Operating Revenues	$245,370	$950,732
Net Non-Operating Income	22,644	100,164
Interest received from securities owned and other miscellaneous income, less non-operating expenses and interest and other deductions		
Total Net Income—before taxes	$268,014	$1,050,896

[fol. 5963]

Holmes Electric Protective Company and Subsidiaries
Comparative Consolidated Income Statement

	Jan. 1, 1950 to Mar. 31, 1950	Year 1949
Taxes:		
Federal Taxes on Income	$66,945	$291,968
Other Taxes	99,158	318,275
Total Taxes	$166,103	$610,243
Net Income	$101,911	$440,653
Net Income Applicable to Minority Interests	825	4,703
Net Income Applicable to Common Stock of Holmes Electric Protective Company	$101,086	$435,950

J. A. Mahoney, Auditor

Holmes Electric Protective Company and Subsidiaries

In my opinion, the foregoing financial statements present fairly the consolidated position of Holmes Electric Protective Company and its subsidiaries at March 31, 1950, and the consolidated results of operations for the three months then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J. A. Mahoney, Auditor.

New York, N. Y., April 14, 1950.

[fol. 5965]

EXHIBIT B

Holmes Electric Protective Company

*Pending Court Cases

Court and Date Commenced	Title of Case	Amount Sued for or Relief Sought	Nature of Case
Supreme Court New York County June 30, 1937	People of the State of New York ex rel. Holmes Electric Protective Company v. William Stanley Miller et al. as Commissioners of Texas and Assessments of the City of New York, etc.	To review tax assessment.	Real Estate Tax Assessment for the year 1937 for the Borough of Manhattan.
Supreme Court Kings County June 30, 1937	People of the State of New York ex rel. Holmes Electric Protective Company v. William Stanley Miller et al. as Commissioners of Taxes and Assessments of the City of New York, etc.	To review tax assessment.	Real Estate Tax Assessment for the year 1937 for the Borough of Brooklyn.
Supreme Court Bronx County June 30, 1937	People of the State of New York ex rel. Holmes Electric Protective Company v. William Stanley Miller et al. as Commissioners of Taxes and Assessments of the City of New York, etc.	To review tax assessment.	Real Estate Tax Assessment for the year 1937 for the Borough of Bronx.

* This list has been prepared in the ordinary course of business and the informational details are included only for identification pruposes.

[fol. 5966]

Court and Date Commenced	Title of Case	Amount Sued for or Relif Sought	Nature of Case
Supreme Court New York County April 25, 1938	People of the State of New York ex rel. Holmes Electric Protective Company v. William Stanley Miller, et al. as Tax Commissioners of the City of New York, etc.	To review tax assessment	Real Estate Tax Assessment for 1938 and first half of 1939 for the Borough of Manhattan.
Supreme Court Kings County April 25, 1938	People of the State of New York ex rel. Holmes Electric Protective Company v. William Stanley Miller, et al. as Tax Commissioners of the City of New York, etc.	To review tax assessment.	Real Estate Tax Assessment for 1938 and first half of 1939 for the Borough of Brooklyn.
Supreme Court Bronx County April 26, 1938	People of the State of New York ex rel. Holmes Electric Protective Company v. William Stanley Miller, et al. as Tax Commissioners of the City of New York, etc.	To review tax assessment.	Real Estate Tax Assessment for 1938 and first half of 1939 for the Borough of Bronx.
Supreme Court New York County October 24, 1940	People of the State of New York ex rel. Holmes Electric Protective Company v. William Stanley Miller, et al. as Tax Commissioners of the City of New York	To review tax assessment.	Real Estate Tax Assessment for the period July 1, 1940 to June 30, 1941 for the Borough of Manhattan.
Supreme Court Bronx County October 24, 1940	People of the State of New York ex rel. Holmes Electric Protective Company v. William Stanley Miller et al. as Tax Commissioners of the City of New York.	To review tax assessment.	Real Estate Tax Assessment for the period July 1, 1940 to June 30, 1941 for the Borough of Bronx.

[fol. 5967]

Court and Date Commenced	Title of Case	Amount Sued for or Relif Sought	Nature of Case
Supreme Court Kings County October 24, 1940	People of the State of New York ex rel. Holmes Electric Protective Company v. William Stanley Miller et al. as Tax Commissioners of the City of New York.	To review tax assessment.	Real Estate Tax Assessment for the period July 1, 1940 to June 30, 1941 for the Borough of Brooklyn.
Supreme Court Kings County October 22, 1941	People of the State of New York ex rel. Holmes Electric Protective Company v. Joseph Lilly et al. as Tax Commissioners of the City of New York, etc.	To review tax assessment.	Tax Assessment for the period July 1, 1941 to June 30, 1942 of central office equipment and equipment on subscribers' premises in the Borough of Brooklyn.
Supreme Court Bronx County October 23, 1941	People of the State of New York ex rel. Holmes Electric Protective Company v. Joseph Lilly et al. as Tax Commissioners of the City of New York, etc.	To review tax assessment.	Tax assessment for the period July 1, 1941 to June 30, 1942 of central office equipment and equipment on subscribers' premises in the Borough of Bronx.
Supreme Court New York County October 24, 1941	People of the State of New York ex rel. Holmes Electric Protective Company v. Joseph Lilly et al. as Tax Commissioners of the City of New York.	To review tax assessment	Tax assessment for the period July 1, 1941 to June 30, 1942 of central office equipment and equipment on subscribers' premises in the Borough of Manhattan.

[fol. 5968]

Court and Date Commenced	Title of Case	Amount Sued for or Relief Sought	Nature of Case
Supreme Court Bronx County October 21, 1942	People of the State of New York ex rel. Holmes Electric Protective Company v. William Wirt Mills et al. as Tax Commissioners of the City New York, etc.	To review tax assessment	Real Estate tax assessment for the period July 1, 1942 to June 30, 1943 for the Borough of the Bronx.
Supreme Court Kings County October 22, 1942	People of the State of New York ex rel. Holmes Electric Protective Company v. William Wirt Mills et al., as Tax Commissioners of the City of New York, etc.	To review tax assessment.	Real estate tax assessment for the period July 1, 1942 to June 30, 1943 for the Borough of Brooklyn.
Supreme Court New York County October 22, 1942	People of the State of New York ex rel. Holmes Electric Protective Comapny v. William Wirt Mills et al., as Tax Commissioners of the City of New York.	To review tax assessment.	Real estate tax assessment for the period July 1, 1942 to June 30, 1945 for the Borough of Manhattan.
Supreme Court New York County October 21, 1943	People of the State of New York ex rel. Holmes Electric Protective Company v. Willaim Wirt Mills, et al. as Tax Commissioners of the City of New York, constituting the Tax Commission of said City, and said Tax Commission.	To review tax assessment.	Real estate tax assessment for the period July 1, 1943 to June 30, 1944 for the Borough of Manhattan.

[fol. 5969]

Court and Date Commenced	Title of Case	Amount Sued for or Relief Sought	Nature of Case
Supreme Court Bronx County October 21, 1943	People of the State of New York ex rel. Holmes Elecric Protective Company v. William Wirt Mills, et al., as Tax Commissioners of the City of New York, constituting the Tax Commission of said City, and said Tax Commission.	To review tax assessment.	Real estate tax assessment for the period July 1, 1943 to June 30, 1944 for the Borough of The Bronx.
Supreme Court Kings County October 21, 1943.	People of the State of New York ex rel. Holmes Electric Protective Company v. William Wirt Mills, et al. as Tax Commissioners of the City of New York, constituting the Tax Commission of said City and said Tax Commission.	To review tax assessment.	Real Estate Tax assessment for the period July 1, 1943 to June 30, 1944 for the Borough of Brooklyn.
Supreme Court New York County May 10, 1944	Holmes Electric Protective Company v. The City of New York, Joseph D. McGoldrick as Comptroller of The City of New York, Almerindo Portfolio, as City Treasurer of The City of New York and William Reid as City Collector of the City of New York.	For a declaratory judgment and to recover payments made amounting to $94,272,09.	To obtain a judgment declaring the local Utility Excise Tax Law not applicable to services rendered by Holmes and to recover payments made under protest between July 1, 1938 to April 20, 1942.

[fol. 5970]

Court and Date Commenced	Title of Case	Amount Sued for or Relif Sought	Nature of Case
United States District Court Southern District October 25, 1944	Harry W. Ahrens, John J. Downey and Christopher P. Ryan suing in their own behalf and as agents and representatives of all present and former employees of the defendants similarly situated v. Holmes Protective Company and New York Telephone Company.	Approximately $185,000, the exact amount alleged to be unknown to plaintiffs.	To recover unpaid overtime compensation and liquidated damages pursuant to Fair Labor Standards Act of 1938. It is alleged that Holmes Electric Protective Co. is a wholly-owned subsidiary of New York Telephone Company and that companies are engaged in interstate commerce.
Supreme Court New York County October 25, 1944	People of the State of New York ex rel. Holmes Electric Protective Compny v. William Wirt Mills, et al., as Tax Commissioners of the City of New York, constituting the Tax Commission of said City and said Tax Commission.	To review tax assessment.	Real estate tax assessment for the period July 1, 1944 to June 30, 1945 for the Borough of Manhattan, City of New York.
Supreme Court Bronx County October 23, 1944	People of the State of New York ex rel. Holmes Electric Protective Company v. William Wirt Mills, et al. as Tax Commissioners of the City of New York, constituting the Tax Commission of said City and said Tax Commission.	To review tax assessment.	Real estate tax assessment for the period July 1, 1944 to June 30, 1945 for the Borough of The Bronx.

[fol. 5971]

Court and Date Commenced	Title of Case	Amount Sued for or Relif Sought	Nature of Case
Supreme Court Kings County October 23, 1944	People of the State of New York ex rel. Holmes Electric Protective Company v. William Wirt Mills, et al. as Tax Commissioners of the City of New York, constituting the Tax Commission of said City and said Tax Commission.	To review tax assessment.	Real estate tax assessment for the period July 1, 1944 to June 30, 1945 for the Borough of Brooklyn.
Supreme Court New York County October 17, 1945	People of the State of New York ex rel. Holmes Electric Protective Company, Relator v. William Wirt Mills, et al. as Tax Commissioners of the City of New York, constituting the Tax Commission of said City and said Tax Commission, Respondents.	To review tax assessment.	Real Estate Tax assessment for the period July 1, 1945 to June 30, 1946 for the Borough of Manhattan.
Supreme Court Bronx County October 17, 1945	People of the State of New York ex rel. Holmes Electric Protective Company, Relator v. William Wirt Mills, et al. as Tax Commissioners of the City New York, constituting the Tax Commission of said City, and said Tax Commission, Respondents.	To review tax assessment.	Real estate tax assessment for the period July 1, 1945 to June 30, 1946 for the Borough of The Bronx.

[fol. 5972]

Court and Date Commenced	Title of Case	Amount Sued for or Relief Sought	Nature of Case
Supreme Court Kings County October 17, 1945	People of the State of New York ex rel. Holmes Electric Protective Company, Relator v. William Wirt Mills, et al. as Tax Commissioners of the City of New York, constituting the Tax Commission of said City, and said Tax Commission, Respondents.	To review tax assessment.	Real estate tax assessment for the period July 1, 1945 to June 30, 1946 for the Borough of Brooklyn
United States District Court, Southern Dist. Sept. 10, 1947	William F. Ahearn, et al., John J. Downey, et al. (in all 224 persons are named as party plaintiffs) v. Holmes Electric Protective Co. and New York Telephone Company	$224,000.00	To recover unpaid overtime compensation and liquidated damages prusuant to Fair Labor Standards Act of 1938. It is alleged that Holmes Electric Protective Co. is a wholly-owned subsidiary of New York Telephone Company and that the Companies are engaged in interstate commerce.
Supreme Court New York County October 15, 1947	Nony Paldo v. Holmes Electric Protective Co., Inc.	$50,000.00	Personal injuries allegedly sustained on June 9, 1947 as result of tripping and falling over lumber in office of Aronowics, Inc., 19 West 57th Street, New York, New York. Company employees were making alterations to wooden partitions in the above premises at the time. Plaintiff was employed at above address.

[fol. 5973]

Court and Date Commenced	Title of Case	Amount Sued for or Relief Sought	Nature of Case
Supreme Court New York County October 25, 1947	People of the State of New York ex rel. Holmes Electric Protective Company, Relator v. Harry B. Chambers, et al. as Tax Commissioners of the City of New York, constituting the Tax Commission of said City, and said Tax Commission, Respondents.	To review tax assessment.	Real Estate tax assessment for the period July 1, 1947 to June 30, 1948 for the Borough of Manhattan.
Supreme Court Bronx County October 25, 1947	People of the State of New York ex rel. Holmes Electric Protective Comapny, Relator v. Harry B. Chambers, et al. as Tax Commissioners of the City of New York, constituting the Tax Commission of siad City, and said Tax Commission, Respondents.	To review tax assessment.	Real estate tax assessment for the period July 1, 1947 to June 30, 1948 for the Borough of The Bronx.
Supreme Court Kings County October 23, 1947	People of the State of New York ex rel. Holmes Electric Protective Company, Relator v. Harry B. Chambers et al. as Tax Commissioners of the City of New York, constituting the Tax Commission of said City, and said Tax Commission, Respondents.	To review tax assessment.	Real estate tax assessment for the period July 1, 1947 to June 30, 1948 for the Borough of Brooklyn.

[fol. 5974]

Court and Date Commenced	Title of Case	Amount Sued for or Relif Sought	Nature of Case
Supreme Court Kings County December 15, 1947	Louis F. Morris, as Administrator of the Estate of Louis R. Morris, Deceased v. Holmes Electric Protective Co.	$100,000.00	Deceased died on October 20, 1947 his death allegedly resulting from wounds inflicted by defendant's employees on October 13, 1947. Defendant's employees had reported to Trinity Church located on Broadway and Wall Street, New York, N. Y., at about 3:00 A.M. in response to alarm sent in by watchman on duty at said church.
Supreme Court Kings County Sept. 2, 1948	United States Casualty Company v. Holmes Electric Protective Co.	$25,000.00	Personal injuries allegedly sustained on February 11, 1946. It is alleged that Company employees, while installing electric protection at the Mar-Belle Co. located at 1002 59th Street, Brooklyn, N. Y., dropped a plaster board striking Tessie Sutter, an employee of Mar-Belle Co. United States Casualty Company was compensation insurance carrier for Mar-Belle Co.
Supreme Court Bronx County October 21, 1948	People of the State of New York ex rel. Holmes Electric Protective Company, Relator v. Harry B. Chambers, et al. as Tax Commissioners of the City of New York, constituting the Tax Commission of said City, and said Tax Commission, Respondents.	To review tax assessment.	Real estate tax assessment for the period July 1, 1948 to June 30, 1949 for the Borough of the Bronx.

[fol. 5975]

Court and Date Commenced	Title of Case	Amount Sued for or Relief Sought	Nature of Case
Supreme Court Kings County October 21, 1948	People of the State of New York ex rel. Holmes Electric Protective Company, Relator v. Harry B. Chambers, et al., as Tax Commissioners of the City of New York, constituting the Tax Commission of said City, and said Tax Commission, Respondents.	To review tax assessment.	Real estate tax assessment for the period July 1, 1948 to June 30, 1949 for the Borough of Brooklyn.
Supreme Court New York County October 21, 1948	People of the State of New York ex rel. Holmes Electric Protective Company, Relator v. Harry B. Chambers, et al., as Tax Commissioners of the City of New York, constituting the Tax Commission of said City, and said Tax Commission, Respondents.	To review tax assessment.	Real estate tax assessment for the period July 1, 1948 to June 30, 1949 for the Borough of Manhattan.
Municipal Court Brooklyn First District March 7, 1949	Tarrytowne Togs, Inc., Plaintiff v. Lancap Realty Corporation, Defendant and Third-Party Plaintiff v. Holmes Electric Protective Co., Third-Party Defendant.	$714.00	Property damage allegedly sustained on April 26, 1948 at 119 Ingraham Street, Brooklyn, N. Y. It is claimed that a fire in above premises was caused by electric protective panel which Holmes Electric Protective Co. installed on a chimney clean-out door.

[fol. 5976]

Court and Date Commenced	Title of Case	Amount Sued for or Relief Sought	Nature of Case
Municipal Court Manhattan Ninth District April 20, 1949	J. K. Welding Company, Inc. v. Holmes Electric Protective Company and George F. Wackenhut	$498.46	Property damage allegedly sustained on November 7, 1948 as result of automobile collision on 14th Street between 6th and 7th Avenue, New York, N. Y. George F. Wackenhut, Company employee, was driving Company vehicle at the time.
Supreme Court New York County October 20, 1949	In the Matter of Holmes Electric Protective Company, Petitioner v. William E. Boyland, et al. as Tax Commissioners of The City of New York, constituting the Tax Commission of said City, and said Tax Commission, Respondents.	To review tax assessemnt.	Proceeding under Article 13 of the Tax Law to review New York City Real Estate Assessments for year July 1st, 1949 to June 30th, 1950, Borough of Manhattan.
Supreme Court Kings County October 20, 1949	In the Matter of Holmes Electric Protective Company, Petitioner v. William E. Boyland, et al., as Tax Commissioners of The City of New York, constituting the Tax Comission of said City, and said Tax Commission, Respondents.	To review tax assessment.	Proceeding under Article 13 of the Tax Law to review New York City Real Estate Assessments for year July 1st, 1949 to June 30th, 1950, Borough of Brooklyn.

[fol. 5977]

Court and Date Commenced	Title of Case	Amount Sued for or Relief Sought	Nature of Case
Supreme Court Bronx County October 20, 1949	In the Matter of Homes Electric Protective Company, Petitioner v. William E. Boyland, et al., as Tax Commissioners of The City of New York, constituting The Tax Commission of said City, and said Tax Comission, Respondents.	To review tax assessment.	Proceeding under Article 13 of the Tax Law to review New York City Real Estate Assessments for year July 1st, 1949 to June 30th, 1950, Borough of the Bronx.
Municipal Court Manhattan First District January 20, 1950	William Bonner v. Holmes Electric Products Co.	$378.10	Property damage allegedly sustained on November 18, 1949 as result of automobile collision at the intersection of Bond and Carroll Streets, Brooklyn, N. Y.
Supreme Court Kings County April 9, 1950	Emerson Niles v. Nu Car U Drive Inc., Holmes Electric Protective Corp., and Richard Blunkau	$10,000.00 personal injuries $750.00 property damage	Personal injuries and property damage allegedly sustained on November 4, 1949 as result of automobile collision at the intersection of Canal Street and 6th Avenue, New York, N. Y. Richard Blunkau, company employee, was driving automobile rented from Nu Car U Drive Inc., by Holmes Electric Protective Company.

Other Than Court Cases

New York City General Business Tax

Deficiency assessments have been made covering periods from January 1, 1937 to June 30, 1942, and amounting in the aggregate to $2,665.52. These assessments are based upon that part of the gross income of the Company which has not been subjected by the city to Utility Excise Tax assessment. Hearings upon these assessments have been requested but have been adjourned pending a final determination of the declaratory judgment action, referred to on page 5 of this Exhibit B, brought to determine the question as to whether the Company is subject to New York City Utility Excise Tax assessments.

In the event it is held by the courts that the Company is not subject to the New York City Utility Excise Tax, General Business Tax Deficiency assessments unquestionably will be made for the periods subsequent to January 1, 1937 upon the basis of its entire gross income. In the event it is held by the courts that the Company is subject to the Utility Excise Tax, such deficiency assessments unquestionably will be made for the periods subsequent to June 30, 1942 upon the basis of that part of its gross income which is not subject to such Utility Excise Tax.

New York City Retail Sales and Compensating Use Taxes

Deficiency Retail Sales Tax assessments have been made covering periods from April 1, 1941 to June 30, 1947, amounting in the aggregate to $32,247.53. Hearings have been held upon these assessments, but the Comptroller has not yet made a final determination.

With the exception of a few minor items of purchases, concerning which there is no question, these assessments are predicated upon amounts paid by the Company to the New York Telephone Company for lines which the former leases from the latter and which the company claims is real estate.

In the event the Comptroller's final determination is adverse to the Company, deficiency Retail Sales assessments for periods subsequent to June 30, 1947 will unquestionably be made by the Comptroller, and the amount of tax involved will be 2% of the amount paid by the Company to the New York Telephone Company for leased lines, plus taxes on the minor purchases mentioned.

New York City Utility Excise Tax

Deficiency assessments have been made covering the period from April 1, 1941 to June, 30, 1947, and amount in the aggregate to $204,155.34.

[fol. 5979]

If the Company is not successful in the declaratory judgment action, referred to on page 5 of this Exhibit B, deficiency Utility Excise Tax assessments will unquestionably be made for a period subsequent to June 30, 1947.

New York City Real Estate Tax

The apparatus owned by the Company and located on the premises of its customers is taxed by the City of New York as real estate. The assessed valuation as fixed by the Tax Department of the City is based, to a very large extent, on information furnished to the Tax Department of the City at the latter's request. Information requested consists, in part, of the book cost and estimated reproduction cost of the property involved. The Company has not furnished reproduction cost, but has furnished information showing price trends of material and labor.

The Company carries in its capital accounts only the apparatus placed upon customers' premises which can be recovered and reused when the service is terminated. Under these circumstances, when the book cost of the property is furnished to the Tax Department of the City, the information furnished does not include the cost of apparatus then in service which cannot be recovered when service is terminated.

An analysis of assessments made by the City indicates non-recoverable property is not included within the assessed valuation. In the event such property were included within the assessments, the assessed valuation would be substantially higher.

Federal Income Tax

The Company has received proposed audit reports from the Revenue Agent with respect to the Federal income tax returns of the Company for the years 1945 and 1946 (copies of which reports have been furnished to the Buyer), reccommehding a refund of approximately $38,000 for the year 1945 and a deficiency of approximately $8,200 for the year 1946. If the proposals contained in these reports should be applied to the years 1947 and 1948, additional taxes would be payable by the Company and adjustments would be required for the purpose of the New York State Corporation Franchise Tax.

[fol. 5980]

Claim of Harwin Coat Company

The claimant asserts that fifty coats disappeared from its premises between the closing of its premises on October 14, 1949 and their opening the following morning during the period the premises were under electric protection. The amount of damages claimed is $5,000.00.

Claim of Normandy Jewelers

Claimant asserts that Company employee broke a small statue on its premises. The amount of damages claimed is $150.00.

[fol. 5981]

Holmes Electric Protective Company of Philadelphia

Pending Court Cases

None

Other Than Court Cases

Federal Income Taxes

With respect to the Federal income tax returns for the years 1947 and 1948, it is expected that there will be disallowances of certain depreciation deductions taken by this company in the returns for these years. In the event of such disallowances, additional Federal income taxes would be assessed for these years and an adjustment would be required for the purpose of the Corporate Income Tax of the State of Pennsylvania.

[fol. 5982]

Workmen's Compensation Cases

Death Claims

Workmen's Compensation Board Case Number	Name of Deceased	Date of Death
3072515	Harold F. Simpson	Sept. 22, 1930
30710847	Gilbert M. Spence	May 27, 1931
36704664	Conrad Schneider	June 6, 1936

Disability Claims

Workmen's Compensation Board Case Number	Claimant	Date of Accident
47014548	Arthur J. Mullen	Feb. 14, 1947
48059872	Louis Maltese	July 16, 1948
*	Thomas F. Murray	June 13, 1949
49071902	Andrew M. Neilsen	Aug. 5, 1959
49062799	Dalice T. Robbins	July 20, 1949
49081047	Fred F. Martin	Sept. 28, 1949
49086545	Leslie E. Atkinson	Oct. 11, 1949
05021060	Jack H. Mackee	Feb. 20, 1950
*	John J. Miller	Mar. 4, 1950
49100196	Gustave D. Lasher	Nov. 22, 1949
*	Harold F. Grotz	Mar. 6, 1950
*	Phillip O'Brien	Mar. 1, 1950
*	Raymond F. Kreissler	Mar. 6, 1950

* No number assigned.

[fol. 5982]

Holmes Electric Protective Company of Pittsburgh

Pending Court Cases

Title of Case	Amount Sued for or Relief Sought	Nature of Case
Western United and W.U. Airways vs. Holmes Electric Protective Company of Pittsburgh.	$300.00	Alleged non-performance in connection with central station emergency alarm service

Other Than Court Cases

None.

[fol. 5984] EXHIBIT "C"

This Supplemental Agreement made this 21st day of April, 1950, by and between New York Telephone Company, hereinafter called the Landlord, having its principal office at 140 West Street, in the City, County and State of New York, and Holmes Electric Protective Company, hereinafter called the Tenant, having its principal office at 370 Seventh Avenue, in the City, County and State of New York.

Witnesseth:

Whereas, the Landlord and the Tenant heretofore entered into certain agreements of lease and supplements, amendments, and extensions, as the case may be, of such agreements of lease (all of which are hereinafter collectively called "the leases") provided for the letting by the Landlord to the Tenant of certain premises in the City of New York, State of New York, as follows:

(a) Lease dated the 26th day of November, 1946 of space on the first floor of the building known by the street number 121-139 West 73rd Street, Borough of Manhattan, referred to below as "the West 73rd Street lease."
(b) Lease dated the 31st day of Ocober, 1946 of space in the southwesterly portion of the first floor of the building known as 18 Boerum Street, Borough of Brooklyn, referred to below as "the 18 Boerum Street lease."
(c) Lease dated the 7th day of May, 1940 of space in the southwest corner of the first floor of the building known as 360 Bridge Street, Borough of Brooklyn, referred to below as "the 360 Bridge Street lease."
(d) Lease dated the 1st day of July, 1947 of space on the 12th floor and on the 1st floor of the building known as 240 West 36th Street, Borough of Manhattan, referred to below as "the 240 West 36th Street lease."

[fol. 5985] Whereas, the parties hereto desire to extend the term of the leases but not beyond the 21st day of April,

1953 with a definite understanding that because the Landlord seeks in good faith to recover possession of the business and commercial space so leased, for its immediate and personal use, the Tenant will endeavor to vacate all of said premises within two years after the date hereof, and in any event will vacate on the 21st day of April, 1953, and

Whereas, the parties hereto desire to fix a reasonable rent in excess of the emergency rent for each of such premises, under the applicable provisions of the Emergency Commercial Space Rent Control and Emergency Business Space Rent Control Laws of the State of New York (Chapters 3 and 314, respectively, of the Laws of 1945, as amended and reenacted) in lieu of proceeding by application to the Supreme Court or submission to arbitration, and to state, in writing, their interpretation of the provision of the respective leases providing for surrender of the premises in as good condition as the reasonable use thereof will permit, and also to set forth the understanding of the parties regarding the right of the Tenant, under the terms of the [fol. 5986] leases, to access subject to the right of reasonable regulation by the Landlord,

Now, Therefore, the parties hereto agree as follows:

Article I.

Emergency Rent

1. The emergency rent, within the meaning of said Emergency Business Rent Control Law, for 1300 square feet of the premises demised under the West 73rd Street lease is Three Hundred Six and 66/100 Dollars ($306.66) per month payable in advance, on the first day of each and every month (i.e., the rent of Two Hundred sixty-six and 66/100 Dollars ($266.66) per month which was payable under the lease in force and covering such space on June 1, 1944, plus 15 per cent of such rent) and the emergency rent within the meaning of such law for the remaining 406 square feet of the space leased to the Tenant is Ninety-five and 75/100 Dollars ($95.75) per month payable in the same manner (i.e., the reasonable rent for such premises as business space on June 1, 1944, as fixed by agreement between Landlord and Tenant, upon the basis of the rent charged on such date for the most nearly comparable busi-

ness space in the same building plus 15 per cent of such rent).

2. The emergency rent, within the meaning of said Emergency Business Space Rent Control Law, for the premises demised under the 18 Boerum Street lease is Two Thousand [fol. 5987] Three Hundred Fourteen and 38/100 Dollars ($2,314.38) per annum, payable in equal monthly payments in advance on the first day of each and every month (i.e., the reasonable rent for such premises as business space on June 1, 1944, as fixed by agreement between Landlord and Tenant, upon the basis of the rent charged on such date for the most nearly comparable business space in the same building or other rental area or other satisfactory evidence, plus 15 per cent of such rent).

3. The emergency rent, within the meaning of said Emergency Business Space Rent Control Law, for the premises demised under the 360 Bridge Street lease is Two Thousand Seven Hundred Ninety-two and 20/100 Dollars ($2,792.20) per annum, payable in equal monthly payments in advance on the first day of each and every month (i.e., the rent of Two Thousand Four Hundred Twenty-eight Dollars ($2,428.) per annum which was payable under the lease in force and covering such space on June 1, 1944, plus 15 per cent of such rent).

4. The emergency rent, within the meaning of said Emergency Business Space Rent Control Law, for the premises demised under the 240 West 36th Street lease is Twenty Thousand One Hundred Fifty-four and 61/100 Dollars ($20,154.61) per annum, payable in equal monthly payments in advance on the first day of each and every month (i.e., [fol. 5988] the rent of Seventeen Thousand Five Hundred Twenty-five and 75/100 Dollars ($17,525.75) per annum which was payable under the lease in force and covering such space on June 1, 1944, plus 15 per cent of such rent).

Article II

Reasonable Rent and Modification of Leases With Respect to Rent and Term.

1. The reasonable rent for the premises demised under the West 73rd Street lease is Five Thousand Six Hundred Twenty-five and 78/100 Dollars ($5,625.78) per annum (rep-

resenting an increase of Seven Hundred Ninety-six and 78/100 Dollars ($796.78) over the annual rent for such premises immediately prior to the date hereof) and the annual rent under such lease, commencing with the date hereof, shall be such reasonable rent, payable as provided in the lease of November 26, 1946.

2. The reasonable rent for the premises demised under the 18 Boerum Street lease is Two Thousand Three Hundred Forty-four and 56/100 Dollars ($2,344.56) per annum (representing an increase of Three Hundred Thirty-two and 06/100 Dollars ($332.06) over the annual rent for such premises immediately prior to the date hereof) and the annual rent under such lease, commencing with the date [fol. 5989] hereof, shall be such reasonable rent, payable as provided in the lease of October 31, 1946.

3. The reasonable rent for the premises demised under the 360 Bridge Street lease is Two Thousand Eight Hundred Twenty-eight and 62/100 Dollars ($2,828.62) per annum (representing an increase of Four Hundred and 62/100 Dollars ($400.62) over the annual rent for such premises immediately prior to the date hereof) and the annual rent under such lease, commencing with the date hereof, shall be such reasonable rent, payable as provided in the lease of May 7, 1940.

4. The reasonable rent for the premises demised under the 240 West 36th Street lease is Twenty-three Thousand Four Hundred Eighty and 12/100 Dollars ($23,480.12) per annum (representing an increase of Three Thousand Three Hundred Twenty-five and 51/100 Dollars ($3,325.51) over the annual rent for such premises immediately prior to the date hereof) and the annual rent under such lease, commencing with the date hereof, shall be such reasonable rent, payable as provided in the lease of July 1, 1947.

5. If the rental as increased for any of the above mentioned premises is to commence on a day other than the first day of a calendar month then the Tenant shall on demand pay to the Landlord with respect to the respective premises such proportion of the increase in the amount of the monthly installment of the annual rent as the number [fol. 5990] of days constituting the unexpired portion of that calendar month bears to the total number of days in such month.

6. Each of the leases is hereby extended to the 21st day of April, 1953 subject to the provisions of Subdivision 1 of Article IV; provided, however, that cancellation by the Tenant, pursuant to the provisions of Subdivision 2 of Article III, of any of the reasonable rent agreements set forth in Subdivisions 1 to 4 inclusive of this article shall result in concellation of the extension of the related lease and upon the expiration of the present term of such lease, the Tenant's remaining in possession shall not be deemed to be with the consent of the Landlord.

Article III

Rights of Tenant Under the Emergency Rent Laws

1. The Landlord has advised the Tenant prior to the making of this agreement of Tenant's right to continue payment of the emergency rent until modified by arbitration, or by the Supreme Court pursuant to Section 4 of the Emergency Business Space and Commercial Space Rent Control Laws.

2. The Tenant, within sixty days after the execution of this agreement, may cancel any one or all of the agreements set forth in Subdivisions 1 to 4 inclusive of Article II hereof by notice to the Landlord by registered mail en- [fol. 5991] closed in a securely sealed postpaid wrapper addressed to the Landlord at its last known address and requiring a return receipt.

Article IV

Surrender of Premises and Refund of Rents

1. The Tenant agrees to use all reasonable efforts to vacate and surrender within two years after the date hereof all of the premises described in the leases and agrees that the Landlord seeks in good faith to recover possession of the business and commercial space described in the leases and agrees that in any event the Tenant will vacate and surrender all of such premises on the 21st day of April, 1953. In the event Tenant vacates and surrenders any of said premises within such two years, no rent shall be due or payable from Tenant to Landlord for such vacated

premises after such date of vacation and Landlord shall refund to Tenant (a) all rent paid in advance for such vacated premises for the period after such date, and (b) a sum equal to the difference between the rent actually paid by Tenant to Landlord for such vacated premises from the date hereof to the date of such vacation and surrender and the rent which would have been payable by Tenant to Landlord for such premises if the rental therefor had not been increased as provided in this agreement; and thereupon the lease or leases with respect to such vacated premises shall terminate.

[fol. 5992] 2. At the end of the term of each of the leases as herein extended or upon earlier termination thereof, the Tenant shall surrender to the Landlord all of the premises described in such lease, broom clean, in good order and repair, reasonable wear and tear excepted, together with all alterations, additions and improvements which may have been made upon the premises, except movable furniture or trade fixtures installed at the expense of the Tenant. The Tenant, however, will comply with the terms of this article by placing the premises in approximately their condition on the date hereof, reasonable wear and tear excepted. The Tenant on or before such last day of the term or sooner termination shall remove all of such furniture and trade fixtures from the demised premises, it being understood that all property not so removed shall be deemed abandoned by the Tenant.

Article V

Access

It is understood that Tenant, its agents and employees shall have access to all of its central offices twenty-four hours a day, except in the case of fire or other emergency, and shall have access to and use of the drinking water and washrooms in common with others in the buildings; but the Landlord shall have the right at all times to designate the particular entrances, stairways, elevators, drinking [fol. 5993] fountains and washrooms to be used by Tenant, its agents and employees.

Article VI

240 West 36th Street Lease

The Landlord agrees that it will not exercise the right of termination given it by paragraph Sixteenth of the 240 West 36th Street lease unless and until the Tenant exercises the right of cancellation given it by Subdivision 2 of Article III hereof with respect to such lease.

In Witness Whereof, the parties hereto have caused these presents to be duly executed under their hands and seals the day and year first above written.

New York Telephone Company, By ——, ——, Landlord.

Attest:

——, ——, Secretary.

Holmes Electric Protective Company, By ——, ——, Tenant.

Attest:

——, ——.

[fol. 5994] State of New York,
County of New York, ss:

On this — day of ——, 1950, before me personally came ———— to me known, who, being by me duly sworn, did depose and say that he resides at ———— ——; that he is a ———— of New York Telephone Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

——, ——.

[fol. 5995] State of New York,
County of New York, ss:

On this — day of ——, 1950, before me personally came ———— to me known, who, being by me duly

sworn, did depose and say that he resides at ———— ————; that he is a ———————— of Holmes Electric Protective Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

——, ——.

[fol. 5996] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-48

Closing Memorandum

Sale of 31,200 Shares of Capital Stock of Holmes Electric Protective Company by New York Telephone Company to Grinnell Corporation.

The Agreement dated April 14, 1950 between New York Telephone Company (herein referred to as the "Telephone Company") and Grinnell Corporation (herein referred to as "Grinnell") provides for the sale by the Telephone Company of 31,200 shares of capital stock of Holmes Electric Protective Company to Grinnell for the sum of $4,256,000. Simultaneously with the execution of the Agreement, Grinnell deposited with the Telephone Company an uncertified check in the amount of $100,000, payable to the order of the Telephone Company. The balance of the purchase price, namely, $4,156,000, is payable at the closing.

Section 5(d) of the agreement provides that no dividends, or other distribution or payments, are to be made by the New York Holmes Company or any of its Subsidiaries subsequent to March 31, 1950 except that the New York Holmes Company and its Subsidiaries shall declare and pay dividends to the holders of their capital stock in an amount equal to the amount of the unappropriated surplus of the New York Holmes Company and each of its Subsidiaries, as shown by the books of the respective companies, as of March 31, 1950, except that the unappropriated surplus shall not be reduced below $8,623 in the

case of the Pittsburgh Holmes Company and $1,377 in the case of the Pittsburgh Fire Protection Company. In conformity with this provision the following dividends were paid by the New York Holmes Company and its Subsidiaries:

Name of Company	Amount of Dividends Paid	Dividend Payment Date
Philadelphia Holmes Company	$190,240	April 17, 1950
Pittsburgh Holmes Company	61,260	
New York Holmes Company	960,648	April 18, 1950

[fol. 5997] The closing of the sale will be held at the office of the Telephone Company, Room 2800, 140 West Street, New York, N.Y., at 9:00 A.M. on Friday, April 21, 1950.

The parties to be represented at the closing will be as follows:

Telephone Company,
Grinnell,
Bankers Trust Company,
New York Holmes Company
and its Subsidiaries.

Closing Transactions

Documents to be Delivered by the Telephone Company to Trustee under the Refunding Nortgage.

1. Papers relating to Telephone Company's request for release of 31,200 shares of Common Stock of New York Holmes Company pursuant to Section 3 (2) and Paragraph (1) of Subdivision A of Section 8 of Article Eight of the Refunding Mortgage dated October 1, 1921, as amended and supplemented, between the Telephone Company and Bankers Trust Company, Trustee.
2. A check in the amount of $4,256,000 payable to the order of Bankers Trust Company as Trustee.
3. Release by BTC.

Documents to be Delivered by the Telephone Company to Various Holmes Companies.

3. Two letters to New York Holmes Company relating to circuit agreement dated April 1, 1950 between Telephone Company and New York Holmes Company.

4. Supplemental Agreement dated April 21, 1950 between Telephone Company and New York Holmes Company re modification of four building leases between the parties.
5. Agreements dated April 21, 1950 between Telephone Company and New York Holmes Company, Philadelphia Holmes Company and Pittsburgh Holmes Company, respectively, terminating the existing agreements for interchange of benefit obligations under Plans for Employees' Pensions, Disability Benefits and Death Benefits.

Documents to be Delivered by Telephone Company to Grinnell.

6. Certified copy of vote of Board of Directors of Telephone Company adopted at its meeting of March 21, 1950 relating to authorization of purchase by Telephone Company of certain cable plant of New York Holmes Company located in various streets and buildings in the City of New York.
7. Certified copy of the votes of the Board of Directors of the New York Holmes Company adopted at its meeting on March 29, 1950 relating to
   (a) authorization of loan not in excess of $80,000 to Philadelphia Holmes Company;
   (b) authorization of sale of certain cable plant, including conduits, in various streets and buildings in the City of New York, for the sum [now $125,000] of $140,000; and
   (c) authorization of circuit agreement dated April 1, 1950 between the Telephone Company and New York Holmes Company.
8. Certified copy of the votes of the Board of Directors of the Telephone Company adopted at its meeting on April 12, 1950 relating to
   (a) authorization of agreement dated April 14, 1950 with respect to sale of 31,200 shares of stock of New York Holmes Electric Company to Grinnell;
   (b) authorization of proxy for use at special meeting of stockholders of New York Holmes Company held on April 17, 1950; and

(c) authorization of cancellation of interchange agreements between Telephone Company and New York Holmes Company, Philadelphia Holmes Company and Pittsburgh Holmes Company, respectively.

[fol. 5999] 9. Certified copy of the votes of the Board of Directors of Philadelphia Holmes Company adopted at its meeting on April 13, 1950 relating to

(a) authorization of borrowing of funds not in excess of $80,000 from New York Holmes Company;
(b) declaration of dividends, aggregating $190,240, payable on April 17, 1950, and
(c) authorization of cancellation of interchange agreement between the company and Telephone Company.

10. Certified copy of the votes of the Board of Directors of Pittsburgh Holmes Company adopted at its meeting on April 14, 1950 relating to

(a) declaration of dividends, aggregating $61,-260.00, payable on April 17, 1950, and
(b) authorization of cancellation of interchange agreement between company and Telephone Company.

11. Certified copy of the votes of the Board of Directors of New York Holmes Company adopted at its meeting on April 17, 1950 relating to

(a) declaration of dividends, aggregating $960,-648, payable on April 18, 1950;
(b) authorization of modification of four building leases between company and Telephone Company; and
(c) authorization of cancellation of interchange agreement between company and Telephone Company.

12. Copy of papers, relating to Telephone Company's request for release of 31,200 shares of common stock of Holmes Electric Protective Company pursuant to Section 3 (2) and Paragraph (1) of Subdivision A of Section 8 of Article Eighth of the

Refunding Mortgage dated October 1, 1921, as amended and supplemented, between the Telephone Company and Bankers Trust Company, Trustee.

13. Certificate representing 31,200 shares of common stock of New York Holmes Company and assignment thereof to Grinnell with all requisite Federal and New York State stock transfer stamps attached.

[fol. 6000] *Delivery of Documents by Grinnell to New York Telephone Company.*

14. Check or bank cashier's check, amounting to $4,156,000, payable to the order of the Telephone Company in New York Clearing House funds upon delivery of the papers referred to in Item 13 hereof.

Transactions Subsequent to the Closing

1. Special meeting of Board of Directors of Holmes Electric Protective Company at 9:30 A.M. on April 21, 1950 for the purpose of acting upon resignations of certain directors and officers, filling of certain vacancies caused by such resignations, reconstitution of Executive Committee, authorization of employment contract, and for the transaction of such other business as may come before the meeting.
2. Mailing of notices by New York Holmes Company and subsidiaries to employees re change of ownership.
3. Notice by Telephone Company to Treasurer of American Telephone and Telegraph Company that Holmes Electric Protective Company and Holmes Electric Protective Company of Philadelphia and Holmes Electric Protective Company of Pittsburgh are no longer subsidiaries of the Telephone Company for the purpose of the Employees' Stock Plan.
4. Publicity release to press on April 21 or 22, 1950.
5. Notice by Telephone Company to Stock Exchange re release of stock from lien of Refunding Mortgage dated October 1, 1921, as amended and supplemented.
6. Advise American Telephone and Telegraph Company of changes to be made in various blanket Bell System insurance policies by reason of sale of stock.
7. Substitution of attorneys by New York Holmes

Company in litigation or other proceedings now handled by Legal Department of Telephone Company.

8. Substitution of representation of persons in Legal Department of Telephone Company in workmen's compensation cases involving New York Holmes Company.

[fol. 6001] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-49

Private Exchange HArrison 7-5590
APPLE-COLE COMPANY
53 West Jackson Boulevard, Chicago, 4

May 4, 1953.

Mr. J. D. Fleming
Grinnell Corporation
260 W. Exchange St.
Providence, Rhode Island

Dear Mr. Fleming:

My purpose in writing you is to bring to your attention that during the past few months I have been negotiating with Mr. Walter P. Marshall of the Western Union Telegraph Company, in behalf of my client, for the purchase of the holdings of Western Union in American District Telegraph Company.

Information comes to me that your company is closely associated with American District Telegraph in the fire protection field.

The thought occurs to me that your company may be interested in acquiring certain divisions of A.D.T. in various sections of the U.S.A.

I will telephone you Wednesday morning, May 6, to discuss this matter in further detail on a confidential basis.

Yours truly, Apple-Cole Company, William J. Glickauf.

WJG:do'c

[fol. 6002] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-50

Agreement between, The Western Union Telegraph Company, and Grinnell Corporation

June 16, 1953

[fol. 6003] GRINNELL CORPORATION
Executive Offices Providence 1, R.I.
Providence 1, R.I.

July 9, 1953.

The Western Union Telegraph Company
60 Hudson Street
New York 13, N. Y.

Dear Sirs:

This will confirm the following modifications of our Agreement dated June 16, 1953, providing for the sale by you to Grinnell Corporation of 405,426 shares of the common stock of American District Telegraph Company, namely:

1. Paragraph 1 of the Agreement shall be modified by inserting, after the figure $12,500,000 in the sixth line of said paragraph and also after the figure $11,875,000 in the eighth line, the following:

"(subject to adjustment as provided in Paragraph 4 hereof)".

2. Paragraph 4 of the Agreement shall be modified to read as follows:

"4. The closing will take place at the office of Western Union, 60 Hudson Street, New York 13, New York, at 10 o'clock, A.M., Eastern Daylight Saving Time, on such date or on prior to October 1, 1953, as Grinnell may specify by 10 days' written notice to Western Union (the date of the closing being herein called the closing date).

If the closing date shall be subsequent to the record date for the payment by ADT on September 15, 1953, of a dividend of 25¢ per share, the purchase price shall be $12,398,643.50 (instead of $12,500,000) and the balance thereof payable at the closing shall be $11,773,643.50 (instead of $11,875,000).

[fol. 6004] At the closing, payment of the balance of the purchase price, with interest at the rate of 6% per annum on $11,875,000 from July 8, 1953, to September 15, 1953 (or to the closing date, if prior to

September 15) and on $11,773,643.50 from September 15 to the closing date (if the closing date is after September 15) shall be made by Grinnell by certified or bank cashier's check in New York Clearing House funds to the order of Western Union against the delivery to Grinnell of a certificate or certificates representing the Stock, duly endorsed in blank and otherwise in transferable form."

3. Paragraph 5, sub-paragraph (A) of the Agreement shall be modified by inserting, after "June 15" in the ninth line of said sub-paragraph, the following:

"and September 15".

Kindly confirm by signing and returning the enclosed copy of this letter, whereupon our Agreement dated June 16, 1953, shall be deemed modified as provided herein.

Very truly yours, Grinnell Corporation, By J. D. Fleming, President.

JDF:CW

Confirmed:

The Western Union Telegraph Company, By W. P. Marshall, President.

[fol. 6005] Agreement dated June 16, 1953, between The Western Union Telegraph Company (Western Union) and Grinnell Corporation (Grinnell),

Witnesseth:

1. Subject to the conditions hereinafter set forth, Western Union agrees to sell and Grinnell agrees to purchase 405,426 shares (the Stock) of the common stock of American District Telegraph Company, a New Jersey corporation (ADT), without nominal or par value, for the price of $12,500,000, payable $625,000 simultaneously with the execution hereof, the receipt of said amount being hereby acknowledged by Western Union, and the balance, $11,875,000, at the closing as provided in Paragraph 4 hereof.

2. Western Union represents as follows:

(A) Western Union has full right, power and authority to sell the Stock, free and clear of any claims, liens, encumbrances or equities (this representation being made, to the extent that it involves the question whether ADT is a public utility within the meaning of the laws of New Jersey, in reliance upon an opinion dated August 14, 1946, addressed to The Chase National Bank by Edwards, Smith & Dawson); and the [fol. 6006] Stock is validly issued, fully-paid and non-assessable.

(B) ADT is a corporation validly existing under the laws of New Jersey, has been duly qualified to carry on business in New York, has adequate power to carry on the business in which it is engaged and has an authorized capital stock consisting of 1,200,000 shares of common stock without nominal or par value, of which 651,000 full shares and scrip (not entitled to vote or to receive dividends) for 20.48 shares have been issued and are now outstanding (except for 10 full shares and scrip for .2 of a share, which have been reacquired and are held in the treasury).

(C) ADT is the owner and holder of record of shares of stock of subsidiaries (controlled companies) whch operate various kinds of electric protective services, a list of all of which controlled companies, indicating the state of incorporation of each and the

percentage of the outstanding stock of each owned by ADT, is annexed hereto as Exhibit A; and each of the controlled companies (except that no representation is made with respect to controlled companies shown on said list as non-operating) is validly existing under the laws of the state of its incorporation, and the [fol. 6007] shares of stock of said controlled companies owned by ADT are validly issued, fully-paid and non-assessable.

(D) The Annual Reports of ADT for the fiscal years 1950, 1951 and 1952, copies of which have heretofore been furnished Grinnell, contain the consolidated balance sheets of ADT and its controlled companies as of December 31, 1949, 1950, 1951 and 1952, and the consolidated statements of income for said years, as certified by Price, Waterhouse & Co. The Record of Earnings and Dividend Payments for the years 1934 through 1949 (the figures for 1949 having been estimated) copies of which have heretofore been furnished Grinnell, contain data, on a consolidated basis for ADT and its controlled companies, in accordance (except in the case of the data estimated for 1949) with the consolidated statements of income for said years as included in the Annual Reports for said years and as certified by Price, Waterhouse & Co. for 1945 and subsequent years.

Federal Income Tax and Income and Excess Profits Tax returns of ADT have been audited by the Bureau of Internal Revenue through 1950, and the returns of the controlled companies have been audited by the [fol. 6008] Bureau through the years indicated for the respective companies on Exhibit A hereto; and no extensions of time for the assessment of deficiencies have been granted by ADT or by any of its controlled companies. Annexed to the agreement referred to in item 4 of subparagraph (F) of this Paragraph 2 is a copy of a tax ruling with reference to a certain contract dated as of January 1, 1949, between ADT and Automatic Fire Protection Company. The books and accounts of ADT and its controlled companies, and the aforesaid financial statements, properly reflect said audits and said ruling.

(E) There is no litigation pending or, to the knowledge of the officers of Western Union, threatened against ADT or any of its controlled companies except as set forth in Exhibit B annexed hereto and except (i) claims or suits for personal injuries suffered in connection with the business of ADT and the controlled companies, which claims or suits, however, are covered by excess insurance policies insuring against loss in certain instances in excess of $10,000 and in other instances in excess of $20,000 in respect of each such claim or suit, in all instances up to $500,000, (ii) claims or suits covered by a $200,000 fidelity bond, (iii) claims [fol. 6009] in unsubstantial amounts asserted by subscribers on account of alleged damages resulting from alleged improper performance of services, (iv) claims for workmen's compensation covered by insurance policies insuring against liability in excess of $10,000 and up to $500,000, and (v) miscellaneous items unsubstantial in amount in the aggregate.

(F) The copies heretofore furnished Grinnell of the following agreements are true copies thereof:

1. Bank Loan Agreement dated August 12, 1946, between ADT and The Chase National Bank of the City of New York.
2. Agreement dated January 1, 1949 (executed May 24, 1949) between Automatic Fire Protection Company, ADT and the A.D.T. Controlled Companies.
3. Agreement dated January 1, 1949 (executed May 27, 1949), between ADT and the A.D.T. Controlled Companies.
4. Agreement dated January 1, 1949 (executed April 18, 1951), between ADT and the A.D.T. Controlled Companies.
5. ADT Plan for Employees' Pensions Disability Benefits and Death Benefits as amended to date.
6. Agreement dated April 2, 1913, between Western Union and ADT relative to the interchange of benefits under the aforesaid ADT Plan and the Western Union similar plan.

(G) There are no employment contracts in effect with respect to officers or employees of ADT or any [fol. 6010] of the controlled companies except those entered into in ordinary course of business and except union agreements covering employees.

(H) There has been no increase in compensation of officers and employees of ADT or any of the controlled companies since December 31, 1952, except normal increases in the ordinary course of business.

(I) Annexed hereto as Exhibit C is a copy of a letter dated March 9, 1953, from the Comptroller of Western Union to the President of ADT, setting forth the charges being made by Western Union to ADT for administrative services during 1953, together with a schedule showing a partial analysis of such charges. As indicated by said letter, the charges do not include salaries paid by ADT direct to certain officials of Western Union, or Law Department patent expenses and Purchasing Department expenses which are billed separately as incurred.

(J) Annexed hereto as Exhibit D is a list of premises rented from Western Union by ADT or controlled companies of ADT, with data set forth as to, among other things, location and present annual rental.

3. Grinnell represents as follows:

(A) It is acquiring the Stock for its own account [fol. 6011] for investment and not with a view to, or for sale in connection with, the distribution of the Stock, nor with any present intention of distributing or selling the Stock.

(B) It has not dealt with any broker other than Apple-Cole Company in connection with this agreement and the transaction herein contemplated.

4. The closing will take place at the office of Western Union, 60 Hudson Street, New York 13, New York, at 10 o'clock, A. M., Eastern Daylight Saving Time, on July 8, 1953, unless Grinnell shall give at least 5 days' written notice to Western Union prior to said date that it desires to postpone the closing date; in which event the closing will take place, at said office and at said hour, on such

later date, but not subsequent to August 7, 1953, as Grinnell may specify by 10 days' written notice to Western Union (the date of the closing being herein called the closing date).

At the closing, payment of the balance of the purchase price, $11,875,000, plus, in the event the closing date shall be subsequent to July 8, 1953, interest at the rate of 6% per annum on said balance from said July 8 to the closing date, shall be made by Grinnell by certified or bank cashier's check in New York Clearing House funds to the order [fol. 6012] of Western Union against the delivery to Grinnell of a certificate or certificates representing the Stock, duly endorsed in blank and otherwise in transferable form.

5. The obligations of Grinnell hereunder shall be subject to the substantial accuracy of the representations of Western Union contained in Paragraph 2 and shall be subject to the following further conditions:

(A) The representations contained in subparagraphs (G) and (H) of Paragraph 2 shall be accurate as of the closing date; and from December 31, 1952, to the closing date there shall have been no substantial change in the consolidated financial condition of ADT and its controlled companies, except in the ordinary course of business, including the payment by ADT of dividends of 25¢ per share on March 15 and June 15, 1953, and except as the same may be affected by the litigation, claims and suits referred to in subparagraph (E) of Paragraph 2 hereof.

(B) On the closing date the Articles of Incorporation of ADT as amended through February 14, 1950, a copy of which as so amended has heretofore been furnished Grinnell, shall not have been further amended, and the By-Laws of ADT as in effect on the [fol. 6013] date hereof, a copy of which has also heretofore been furnished Grinnell, shall not have been amended.

(C) On the closing date the written resignations of such of the directors of ADT as Grinnell shall have requested of Western Union in writing at least 10 days prior to the closing date shall have been delivered, with copies furnished Grinnell.

(D) On the closing date agreements in form satisfactory to Grinnell shall have been made by ADT with Mr. E. F. Gaston and with Mr. J. A. MacDonald, providing for the retention by ADT of their services for not less than five years, at rates of compensation not less than the salaries which they are now receiving, but subject to the right of ADT to terminate the employment of either person prior to the expiration of the 5-year period without prejudice to the obligation of ADT to continue to pay such compensation for such period and to treat the entire period as part of the Term of Employment of such person for the purposes of the ADT Plan for Employees' Pensions Disability Benefits and Death Benefits, and subject to the right of each such person to terminate his employment at any time when eligible for pension and to receive the pen- [fol. 6014] sion to which he may be qualified under said Plan on the date of such termination of employment.

(E) On the closing date an agreement substantially in the form hereto annexed as Exhibit E shall have been executed by Western Union and ADT.

6. The obligations of Western Union and Grinnell hereunder shall be respectively subject to the performance by the other of its obligations hereunder and (i) in the case of Western Union, to the receipt by it of an opinion of Roger T. Clapp, counsel for Grinnell, to the effect that this agreement has been duly authorized by all necessary corporate action on the part of Grinnell and is a valid and binding obligation of Grinnell in accordance with its terms and (ii) in the case of Grinnell, to the receipt by it of an opinion of Milbank, Tweed, Hope & Hadley, attorneys for Western Union, to the effect that this agreement has been duly authorized by all necessary corporate action on the part of Western Union and is a valid and binding obligation of Western Union in accordance with its terms.

7. In the event that any of the conditions to Grinnell's obligations referred to in Paragraphs 5 and 6 hereof is not satisfied, Grinnell may elect to have repaid to it the portion of the purchase price paid upon the execution [fol. 6015] hereof as set forth in Paragraph 1, whereupon

neither Western Union nor Grinnell shall have any further claim against the other. If, in the event that any of said conditions is not satisfied, Grinnell does not so elect but rather elects to proceed with the closing, there shall be no adjustment of the purchase price provided herein.

In the event that any of the conditions to Western Union's obligations referred to in Paragraph 6 hereof is not satisfied, or if Grinnell shall default in the performance of its obligations hereunder, then Western Union shall retain as liquidated damages the aforesaid amount paid upon the execution hereof, and thereupon, neither Western Union nor Grinnell shall have any further claim against the other.

It is expressly understood that Grinnell has satisfied itself, by discussion with officers and employees of ADT, as to all matters relevant to the business and financial condition of ADT and the controlled companies not covered by the representations specifically set forth herein, including all contracts to which Grinnell is a party and all other contracts or commitments entered into by ADT or any of the controlled companies either in the ordinary course of business or otherwise, and that Western Union has not made any representations or warranties of any kind, nature or description except as are in this agreement specifically set [fol. 6016] forth, and that this agreement contains all the terms and agreements entered into between the parties. The representations made herein by Western Union shall not survive the delivery of the Stock on the closing date.

8. Western Union agrees to cause ADT, promptly after the execution hereof, to make available for examination by Grinnell and its auditors and counsel, at ADT's office, such books and records and such financial, legal and other information with respect to ADT, the controlled companies, and their properties as may reasonably be requested.

Following the consummation of the sale herein contemplated,

(A) Western Union agrees that it will, and Grinnell agrees that it will cause the particular controlled companies of ADT to, enter into extensions of leases for the terms beyond their present expiration dates, and at the annual rentals for such extended terms, indicated in the last three columns of Exhibit D hereto; and Western Union agrees that it will not, and Grinnell

agrees that it will cause the particular controlled company of ADT not to, terminate any lease described in said exhibit as on a month-to-month basis without first [fol. 6017] giving 90 days' written notice of intention to terminate.

(B) Western Union agrees that, except for the administrative services of the Tax Attorney and the Law Department and the legislative services rendered by the Operating Department all of which shall cease as of the closing date, subject to the option of ADT set forth below in this subparagraph (B), it will continue to render administrative services as indicated by Exhibit C hereto, for the charges set forth in said exhibit and, in the case of the Purchasing Department, on the basis heretofore rendered, all for a period of 90 days after the closing date, and thereafter until the end of 1953 to the extent that ADT shall so elect by written notice to Western Union at least 10 days prior to the expiration of said 90 days, and for such further period and for such charges as may be mutually agreed upon by Western Union and ADT. At ADT's option, the services of the Tax Attorney and the Law Department shall be continued in respect to any of the matters set forth in Exhibit B hereof, for such charges as may be mutually agreed upon between Western Union and ADT.

(C) As to the approximately 150 employees of [fol. 6018] Western Union now jointly employed by it and ADT or controlled companies, Western Union agrees, for a period of three years after the closing date, to permit such employees to continue with such joint employment in the present proportion of employment by each, but Western Union shall not be under any obligation to require such or any Western Union employees to continue or be in joint employment with ADT.

(D) Western Union agrees, on request, to make available to ADT (but not to relinquish to it unless related exclusively to ADT matters) such records and files as Western Union may have in any of its departments relating to and necessary in connection with any ADT matters.

(E) Grinnell agrees that it will cause the Board of Directors of ADT to adopt a resolution releasing and discharging all of the present directors of ADT whose resignations are delivered as contemplated by subparagraph (C) of Paragraph 5 hereof, and all of the present officers of ADT who cease to be such at the time of the consummation of the sale, from any claim or demand of any kind existing against them or any of them, in favor of ADT, in their capacity as such directors or officers, and shall cause ADT to execute and [fol. 6019] deliver releases to such effect to such directors and officers.

9. All notices that are required or permitted to be given under the terms of this agreement shall be in writing and shall, at the times specified, in the case of notices to Western Union be mailed or personally delivered to it at 60 Hudson Street, New York 13, N. Y., and in the case of notices to Grinnell be mailed or personally delivered to it at 260 West Exchange Street, Providence 1, Rhode Island.

10. This agreement shall be construed in accordance with the laws of the State of New York.

11. This agreement may be simultaneously executed in two counterparts and each of said counterparts shall constitute an original of one and the same instrument.

In Witness Whereof, Western Union and Grinnell have caused this agreement to be duly executed as of the day and year first above written.

The Western Union Telegraph Company, By W. P. Marshall, President. Grinnell Corporation, By J. D. Fleming, President.

[fol. 6020]

Exhibit A

List of Controlled Companies

Name	State of Incorporation	Percentage of Stock Ownership	Year Federal Income Tax Return Last Audited
The American District Telegraph Company	Alabama	100.	1951
American District Telegraph Comapny of Arkansas	*Arkansas	100.	1945
American District Telegraph Company (Los Angeles)	California	100.	1951
American District Telegraph Company of San Francisco	California	99.78	1951
The American District Telegraph Company	Colorado	100.	1945
American District Telegraph Company	Connecticut	100.	1951
American District Telegraph Company	Delaware	100.	1945
American District Telegraph Company	Florida	100.	1945
American District Telegraph Company	Georgia	100.	1945
Chicago Electric Protective Company	*Illinois	100.	1945
The Illinois District Telegraph Company	Illinois	100.	1945
American District Telegraph Company	Illinois	100.	1951
American District Telegraph Company Inc.	Indiana	100.	1945
American District Telegraph Co. of Iowa	Iowa	100.	1945
American District Telegraph Company	Kansas	96.88	1945
A.D.T. Company	Kentucky	100.	1951
American District Telegraph Company	Louisiana	100.	1945
American District Telegraph Company	Maine	100.	1945
Holmes Electric Protective Company of Boston	*Maine	100.	1945

Name	State of Incorporation	Percentage of Stock Ownership	Year Federal Income Tax Return Last Audited
The American District Telegraph Company of Baltimore City	Maryland	99.98	1951
American District Telegraph Company	Massachusetts	99.99	1945
Boston Electric Protective Association	*Massachusetts	100.	1945
Bankers' Electric Protective Association	Massachusetts	100.	1945
American District Telegraph Company	Michigan	100.	1945
The American Still Alarm	*Michigan	100.	1945
Reliance Alarm Company	Michigan	100.	1945
American District Telegraph Company (Minneapolis)	Minnesota	100.	1951
The American District Telegraph Company of Minnesota	Minnesota	100.	1945
American District Telegraph Company	Missouri	100.	1951
American District Telegraph Company of Montana	*Montana	100.	1945
The American District Telegraph Company	Nebraska	100.	1945

[fol. 6021]

A.D.T. Company	New Jersey	100.	1951
American District Telegraph Company	*New Mexico	100.	1945
The Special Fire Alarm Electrical Signal Company	*New York	100.	1945
A.D.T. Company, Inc.	New York	100.	1945
Bankers' Electric Protective Association, Inc.	New York	100.	1945
A.D.T. Company	North Carolina	100.	1945
The American District Telegraph Company of Cleveland Company	Ohio	100.	1951

	State of Incorporation	Percentage of Stock Ownership	Year Federal Income Tax Return Last Audited
The American District Telegraph Co. of Columbus, Ohio	Ohio	100.	1951
The American District Telegraph Company (Dayton)	Ohio	100.	1945
The American District Telegraph Company of Ohio Company	Ohio	100.	1950
American District Telegraph Company of Cinncinnati, Ohio	Ohio	100.	1951
American District Telegraph Comapny of Toledo, Ohio	Ohio	100.	1945
The American District Telegraph Company of Oklahoma	Oklahoma	100.	1945
American District Telegraph Company	Oregon	100.	1945
The American District Telegraph Company of Pennsylvania	Pennsylvania	100.	1945
American District Telegraph Company	South Carolina	100.	1951
American District Telegraph Company of Dakota	South Dakota	100.	1945
A.D.T. Company	Tennessee	100.	1951
American District Telegraph Company of Texas	Texas	100.	1951
American District Telegraph Company	Utah	100.	1945
A.D.T. Corporation	Virginia	100.	1951
American District Telegraph Company of Washington	Washington	100.	1951
Seattle American District Telegraph Company	Washington	100.	1945
American District Telegraph Company (Washington, D. C.)	West Virginia	100.	1951
American District Telegraph Company of Milwaukee	Wisconsin	100.	1945

Name	State of Incorporation	Percentage of Stock Ownership	Year Federal Income Tax Return Last Audited
American District Telegraph Company of Wisconsin	Wisconsin	100.	1951
Milwaukee Auxiliary Fire Alarm Company	*Wisconsin	100.	1945
The American District Telegraph Company	*Wyoming	100.	1945
Automatic Fire Protection Company	**Alabama	100.	1945
[fol. 6022]			
Automatic Fire Protection Company	**Delaware	100.	1945
Automatic Fire Protection Company	**Illinois	100.	1945
Automatic Fire Protection Company	**Massachusetts	100.	1945
Automatic Fire Protection Company	**Missouri	100.	1945
Automatic Fire Protection Company	**New Jersey	100.	1945
Automatic Fire Protection Company	**New York	100.	1945
Automatic Fire Protection Company	**Ohio	100.	1945

Notes:

* Non-operating

** Non-operating companies acquired under contract in 1913. No directors' or stockholders' meetings have been held since acquisition. Have no property and may have forfeited corporate existence.

[fol. 6023]

A.D.T. Company, Inc.

New York City Ad Valorem Taxes

Schedule of Pending Certiorari Proceedings

Period	Bronx	Brooklyn	Manhattan	Queens	Richmond	Total
1938 & 1st Half 1939	$ —	$ 766.50	$ 1,524.24	$ 498.30	$ —	$ 2,789.04
1939–1940	—	504.45	1,008.90	243.20	—	1,756.55
1941–1942	405.52	2,738.00	9,362.48	1,532.64	17.88	14,056.52
1942–1943	387.40	2,720.52	8,776.10	1,755.26	27.00	13,666.28
1943–1944	424.20	2,382.05	8,898.08	2,053.28	33.66	13,791.27
1944–1945	381.48	2,273.68	8,453.55	1,936.73	31.90	13,077.34
1945–1946	368.28	2,192.94	8,101.86	1,920.42	—	12,583.50
1946–1947	351.54	2,289.84	8,451.30	2,033.46	—	13,126.14
1947–1948	381.44	2,684.92	9,737.35	2,405.16	—	15,208.87
1948–1949	420.32	2,733.00	9,711.90	2,748.16	—	15,613.38
1949–1950	470.64	2,736.00	9,495.09	3,167.98	—	15,869.71
1950–1951	515.16	2,954.88	10,497.20	3,228.11	—	17,196.35
1951–1952	529.69	3,034.00	10,980.66	4,888.65	—	19,433.00
1952–1953	564.40	3,163.50	11,400.57	5,514.32	—	20,642.79
					Grand Total–	$188,809.84

6/5/53

[fol. 6024] Exhibit B

Litigation Pending and Claims
Asserted Against A.D.T.

Paul Cusano d.b.a. American Cabinet and Billard Company v. A.D.T. Co. of New Jersey

Superior Court, Hudson County, N. J.
Suit filed January 21, 1952.
Amount: $800,000.

Nature of suit: Damages for breach of contract under agreement to maintain and service fire alarm system in plaintiff's plant at 593 Summit Avenue, Jersey City, New Jersey. Alarm system claimed to have become defective and to have remained in such condition to the knowledge of defendant. Damages claimed include destruction of plant by fire on January 20, 1950, inventory and work in progress, loss of the value of contracts in progress, loss of good will and loss of earnings and profits.

Defense: General denial and affirmative defense of $50 liquidated damage clause. Investigation indicates one circuit was defective but fire occurred at point not governed by circuit and that signal was promptly received and transmitted to fire department.

Attorneys: Smith, James and Mathias, Jersey City, New Jersey.

Status: Motion to strike allegations that plaintiff was induced to enter contract and that he relied on defendant's skill and ability in discharging its duty. Motion still pending.

Motion to dismiss also pending for failure to state cause of action for breach of contract. The contract by paragraph 10 limiting and fixing the damages in the event of a breach in the sum of $50. Motion filed March, 1952. Briefs filed in September, 1952. No answering briefs yet received. In December plaintiff served notice to take depositions of President and Comptroller of ADT. Motion opposing depositions served. Basis of opposition: case pending on motion to dismiss. Motions postponed to January 23, 1953, and have not been called up. In February, 1953, supreme

court of California upheld validity of liquidated damage clause and this decision was sent to Jersey City attorneys.

Insurance: Risk above $20,000 to and including $100,000 insured by Lloyds on first of two policies and risk above $100,000 to and including $400,000 insured on second policy.

Bonded Scale and Machine Company v. *A.D.T. Company of Columbus, Ohio*

Court of common please, Columbus, Ohio.

Suit filed December, 1949.

Amount: $367,000.

Nature of suit: Plaintiff, subscriber of fire alarm protection service, and twenty-four other plaintiffs, who are insurers of subscriber, allege negligence in delaying twelve minutes the reporting to the fire department of an alarm on the early morning of December 12, 1947.

[fol. 6025] Answer: General denial and $50 liquidated damage defense. System newly completed and considered still to be in a "test period".

Status: Issue has not yet been joined since the court on October 5, 1950, sustained defendant's motion to strike portions of the complaint. Plaintiffs have not since served an amended petition so the case is dormant.

Attorneys: Vorys, Sater, Seymour and Pease.

Insurance: Policy with Lloyds insures risk beyond first $10,000 up to and including $500,000.

Laura Buechs v. *A.D.T. Company*

Supreme court, Albany, New York.

Amount: $25,000.

Nature of suit: Action for personal injuries sustained October 15, 1952, when plaintiff tripped over a trap door alleged to have been improperly closed by ADT workmen.

Status: Answer and demand served in May, 1953. Case pending at issue.

Attorneys: Wiswall, Wood, Olson and Schoonmaker.

Insurance: Amounts in excess of $10,000 protected by Lloyds insurance policy up to and including $500,000.

Ozella Dalton v. *A.D.T. Company*

Circuit Court, Kansas City, Missouri.

Amount: $15,000.

Nature of suit: Injuries sustained when a subscriber's employee was struck by a falling burglar alarm screen November 16, 1950.

Status: Negotiations for settlement at approximately $2,500 have broken off, and the case is scheduled for trial this week.

Attorneys: Barker, Winger, Smith, Bagby and Loftin.

Insurance: Lloyds—coverage in excess of $20,000 up to $500,000.

Eagle Machine Company v. *A.D.T. Company*

Circuit court of Marion County, Indianapolis, Indiana.

Amount: $50,000, loss sustained by reason of robbery by two ADT employees who were apprehended December 18, 1952, and admitted theft on fifteen subscribers' premises.

Nature of action: Action seeks to recover all of plaintiff's inventory losses since October 1, 1950, by reason of the conspiracy discovered on December 18, 1952, of two faithless employees and a third person to loot the premises of customers while answering protection alarms. Principal questions involved are *respondeat superior* and amount of damages.

[fol. 6026] Status: Issue not joined since court on May 11, 1953, sustained defendant's motion to strike certain portions of the three causes of action in the complaint. Under a peculiar provision of Indiana practice, plaintiff on May twenty-first filed a motion to reconsider the ruling, also filed a motion for change of venue from the judge who made the ruling on an affidavit of bias, prejudice, etc. Under Indiana practice the judge has no discretion but must grant change of venue. Case then determined by a special judge selected from a panel of three attorneys.

Attorneys: Gilliom, Armstrong and Gilliom.

Insurance: Fidelity insurance from American Surety Company to the extent of $200,000 as to each employee.

Glenn B. Marchesi v. *A.D.T. Company*

District court, Dallas, Texas.

Amount: $52,500.

Nature of case: Plaintiff struck in the head by a deflected bullet fired by ADT employee during target practice July 11, 1953, at Dallas, Texas.

Nature of action: Suit to recover personal injuries sustained.

Answer: General denial. Question principally one of extent of damages.

Status: Action on trial calendar has been postponed to September. Negotiations pending for settlement in $7,500 range.

Attorney: John W. Miller.

Insurance: Lloyds—coverage in excess of $20,000 up to $500,000.

National Labor Relations Board v. *American District Telegraph Company of Pennsylvania.*

This matter is pending in the United States court of appeals for the third circuit on a petition for enforcement of an order of the National Labor Relations Board dated September 6, 1951, directing the company to bargain with the International Union of Electrical Radio and Machine Workers, CIO, with respect to the company's employees in its plant and operating departments at Pittsburgh, Pennsylvania. The union had been certified after an election on October 5, 1951. The company had resisted efforts of the union to obtain certification by the Board on the ground that the company was not engaged in interstate commerce and on the further ground that guard operators should not be included in the same unit with the company's other employees. These grounds were urged upon the court in opposition to the petition for enforcement. Briefs have been submitted and the case was argued at the last term of court. The court of appeals rendered an opinion which was filed June 8, 1953, denying the petition for enforcement of the N.L.R.B. order, on the second ground urged by the company.

[fol. 6027] *Tax Litigation:*

A.D.T. v. *City of New York*

(1) An appeal to the appellate division, first department, New York supreme court, to review a determination pursuant to Art. 78 of the Civil Practice Act. This appeal was taken from a determination of the New York City Comptroller denying claims for refund of New York City gross receipts utility taxes paid by ADT under protest. Subsequent to the filing of the appeal, which incidentally has not been noticed for argument, the New York Court of Appeals rendered a decision in favor of the Holmes Electric Protective Company involving issues practically identical with those present in our own case. On the basis of the Holmes determination the New York City Comptroller's Office has agreed to refund to ADT the utility taxes in question, against which, however, the City has offset a conceded liability on the part of ADT for New York City general business taxes. The Tax Department (McGann) concluded negotiations with the Special Deputy Comptroller's Office, the result of which has been deemed satisfactory by ADT officials. The net amount of the claim for refund as agreed to totals $111,124.85. The said amount has been approved by the Special Deputy Comptroller's Office and is now being processed for refund by the Refund Division of the Comptroller's Office. Advice has been received that receipt of the refund may be anticipated by the latter part of next week.

(2) The only other litigation now pending constitutes certiorari proceedings relating to the ad valorem taxes imposed by the City of New York on central station and subscriber equipment. The sole issue involved is that of illegality—the ADT contention being that the central station and subscriber equipment does not constitute real estate as defined by Subdivision 6, Sec. 2, of the New York State Tax Law. Overvaluation is not involved. There is annexed hereto a schedule listing the tax periods involved and the amount of taxes subject to refund in the event the issue is finally determined in favor of the company. The various proceedings were not pressed for trial as the company's position is rather tenuous and the prospect of ultimate success quite dubious. As a matter of fact, similar issues were

involved in the City of Rochester, but, after the proceedings had been referred to a Referee, it was concluded that they should be withdrawn because of the unlikelihood of ultimate success. This occurred in 1949. At the present time similar issues are involved in certiorari proceedings involving the Holmes Electric Protective Company. Because of the pendency of those cases, it was the consensus that ADT should await the outcome in the Holmes proceedings before disposing of its own. The Holmes case has been tried principally under a Stipulation of Facts and the parties have until August 15, 1953, for the submission to the Special Term Judge of briefs, memoranda and other documents.

[fol. 6028] Claims:

Schepp's Wholesale Grocery Co., Dallas, Texas

On the night of May 28, 1953, this subscriber's vault was looted of what subscriber claims to be some $30,000 in currency. The vault was protected by a "phonetalarm" system. At 1:15 A.M. May 29th the Central Station received a series of bells and lights (activated by noise) indicating trouble. The supervisor was busy preparing a routine report and blocked the alarm with paper, and then forgot about it. At 1:49 A.M. another employee removed the paper and tested the alarm but "found it O.K. at that time." The subscriber opened the premises at 6:21 A.M. but did not notice until 7 A.M. the hole in the vault. Mr. Schepp has orally advised that he intends to hold A.D.T. responsible for the loss. We have been unable to ascertain the type of limitation-of-liability clause, whether 10% or $50, and if the former how much the annual service charge. The claim would be partially covered by excess insurance.

Cole Hersee Company, Boston, Mass.

Failure to file notification of temperature service changes. April 3, 1953. Advised Hable liquidated damage clause applicable, citing the California decision referred to under the *Paul Cusano* case described above in this exhibit. Amount of claim $14,000.

Food Center of St. Louis, Missouri

Failure to respond to burglar alarm. February 19, 1953. Wrote Hable to call subscriber's attorney's attention to the California decision. Amount of claim $4,000.

Chicago Franchise Controversy

A.D.T.'s franchises to use the streets from the City of Chicago expired April 27, 1937 (including Illinois District Telegraph Company, American District Telegraph Company (Illinois) and Chicago Electric Protective Company). During a ten-year period ending December 31, 1936, those companies paid to the city taxes under the franchises in the sum of $680,880. In November, 1938, West and Eckhart rendered an opinion that these alarm service companies may do business in Chicago by using wires leased from companies having franchises even though the city may not renew the contract franchise which had expired and even though the city may grant a competitor the right to use the city streets. Consequently, in July, 1939, Illinois District Telegraph Company conveyed its property in the streets to Western Union. In November, 1951, the city in negotiating with Illinois Bell Telephone Company from whom IDT leases facilities threatened to refuse to grant Illinois Bell the franchise unless it agreed not to lease facilities to IDT. [fol. 6029] Illinois Bell is still negotiating with city for franchise. City and Illinois Bell so far unable to agree on amount of tax. Nothing further about city's threat has been heard recently.

San Francisco Franchise Controversy

American District Telegraph Company of San Francisco on August 8, 1938, by Ordinance No. 15.0991 was granted rights to maintain facilities in, under and across the streets of the municipality in exchange for the payment to the City and County of San Francisco of 2% of gross annual receipts arising from such use. The term of the franchise was the period of twenty-five years.

Since no similar assessment was made against a competitor, the question was in March of 1949 presented to Messrs. Pillsbury, Madison & Sutro who were of the opinion that the franchise was permissive and that by divesting it-

self of all facilities in the streets and other public places and thus abandoning the franchise A.D.T. would cease to be obligated to make payments. Accordingly divestment was accomplished as of December 18, 1950, and the 2% payment of gross receipts in that year to that date amounting to $10,096.97 was made.

The City Attorney, after first writing an opinion which coincided with that of Messrs. Pillsbury, Madison & Sutro, last November reversed himself and expressed the opinion that the franchise was mandatory rather than permissive so that, despite divestment, A.D.T. remains obligated to pay 2% of gross receipts for the full 25 years.

The check in payment for the period January 1 to December 15, 1950, has recently been cashed on an understanding that neither A.D.T. nor the City is bound or prejudiced, by reason of the cashing of that check, upon the question of whether the franchise may be considered abrogated, surrendered or heretofore terminated.

The City has not yet taken any further steps to enforce its asserted rights to the 2% of gross receipts subsequent to December 18, 1950.

[fol. 6030]

Exhibit C

March 9, 1953

Mr. E. F. Gaston, President
American District Telegraph Company
155 Sixth Avenue
New York 13, N. Y.

Dear Mr. Gaston:

For administrative services to be furnished ADT during the year 1953, it is proposed to charge $86,606 based on the experience during the preceding year (1952) of the various departments of The Western Union Telegraph Company as follows:

	Proposed Charges for 1953 Based on 1952 Experience	Charges for 1952 Based on 1951 Experience	1953 Increase or Decrease
Treasurer's Department	$ 6,376	$ 7,276	$ *891*
Accounting Department	33,818	16,348	17,470
Tax Attorney	12,200	11,500	700
Law Department	16,500	16,500	—
Employees' Benefit Committee	6,275	5,620	655
Operating Department	1,138	1,105	33
Addressograph Service	6,477	5,000	1,477
Pensions, Benefits, Social Security Taxes, etc.	3,822	3,179	643
	$86,606	$66,519	$20,087

The proposed charge of $86,606 does not include salaries paid by ADT direct to certain officials of the Telegraph Company, nor does it include Law Department patent expense and Purchasing Department expenses which are billed separately. The principal factors causing the increase over last year's charge were explained in our letter of March 4, 1953 addressed to Mr. F. S. Thompson, Auditor.

Will you please acknowledge.

Very truly yours, —— ——, Comptroller.

[fol. 6031]

The Western Union Telegraph Company

Accounting Department

A.D.T. Administrative Charges

Year—1953

Department	Annual			Monthly Prorate	
	Salaries	Other Expenses	Total	1st Mo.	Next 11 Mos.
Law	$15,000	$ 1,500	$16,500	$ 1,375	$1,375
Tax	9,500	2,700	12,200	1,024	1,016
Treasurer	5,909	467	6,376	535	531
Employees' Benefit Committee					
Administrative & Medical	5,512	763	6,275	533	522
Operating					
Cashing Checks	—	263	263	32	21
Legislative Service	—	875	875	83	72
Accounting (Field Auditing)					
Eastern	5,402	1,928	7,330	620	610
Southern	4,396	2,051	6,447	540	537
Lake	8,309	4,276	12,585	1,057	1,048
Gulf	2,008	957	2,965	248	247
Pacific	3,121	1,420	4,541	383	378
Postage (Reversal of 1952 charge)	—	*50*	*50*	*6*	*4*
Addressograph Service	5,109	1,368	6,477	548	539
Pensions, Benefits, Social					
Security Taxes, etc.	—	3,822	3,822	324	318
Total	$64,266	$22,340	$86,606	$7,296	$7,219

New York City
March 4, 1953

[fol. 6032]

Exhibit D

Premises Rented From Western Union

As at 6-4-53

Independent Offices

City	Address	Present Annual Rental	Present Expiry Date	Extend Lease To	Period of Extension	Annual Rental Under Extended Term
Atlanta, Ga.	W. U. Bldg., North Forsyth & Marietta Sts.	$ 7,497.00	5/31/54	7/31/58*	50 Months	$8,100
Baltimore, Md.	106-108 East Baltimore St.	5,100.00	12/31/58			
Charleston, S.C.	145 East Bay St.	600.00	12/31/53	11/30/59	59 "	720
Chattanooga, Tenn.	1328 Broad St.	240.00	3/31/54	9/30/54	6 "	240
Detroit, Mich.	New Telegraph Bldg. 536 Shelby St.	4,800.00	12/31/58			
Grand Rapids, Mich.	Keeler Bldg., Division Ave. North & Fountain St.	1,500.00	6/30/56			
Jacksonville, Fla.	W. U. Bldg., Laura & Duval Sts.	1,890.00	7/31/55	12/31/60	65 "	2,100
Los Angeles, Calif.	741 S. Flower St.	6,307.68	6/30/72			
Memphis, Tenn.	W. U. Bldg., 2nd St.	2,106.00	7/31/54	11/30/55	16 "	2,220
Oklahoma City, Okla.	400 North Broadway, W. U. Bldg.—Basement	1,770.00	2/28/54	11/30/55	21 "	2,100
Philadelphia, Pa.	W. U. Bldg., Locust & Quince Sts.	6,000.00	5/31/60			
Portland, Me.	246 Middle St.	900.00	1/31/57	7/31/58*	18 "	1,200

* In these instances Western Union will consider leases for terms longer than those indicated.

[fol. 6032a]

City	Address	Present Annual Rental	Present Expiry Date	Extend Lease To	Period of Extension	Annual Rental Under Extended Term
Richmond, Va.	7th & Grace Sts.	$ 1,200.00	7/31/54	7/31/58*	48 Months	$ 1,500
San Antonio, Tex.	W. U. Bldg., N.W. Cor. N. Press & W. Commerce Sts.	2,280.00	5/31/54	1/31/58	44 "	2,700
St. Louis, Mo.	9th & Chestnut Sts.	11,842.00	5/31/57	7/31/58*	14 "	12,506
Toledo, Ohio	Huron St. & Jefferson Ave.	2,840.00	12/31/54	12/31/58*	48 "	3,180
Wilmington, Del.	909 N. Market St.	2,400.00	5/31/57			
Youngstown, Ohio	42 Central Sq.	660.00	9/30/53	8/31/56	35 "	900

* See footnote on page 4191.

[fol. 6032b]

Joint Offices

City	Address	Present Annual Rental	Present Expiry Date	Extend Lease To	Period of Extension	Annual Rental Under Extended Term
Allentown, Pa.	19 North 7th St.	$ 1,080.00	M-to-M			
Bay City, Mich.	112 Center Ave. (Guard Station)	180.00	"			
Brockton, Mass.	20 Centre St.	510.00	"			
Canton, Ohio	Bowman Bldg., Cor. Court Ave. & Third St., N.W.	1,017.00	3/31/54			
Cedar Rapids, Ia.	311-313 Second Ave.	540.00	M-to-M			
Covington, Ky.	519 Madison Ave.	720.00	12/31/53			
Davenport, Iowa	219 Brady St.	973.00	3/31/54**	2/28/56	23 Months	$1,200.00
Dubuque, Iowa	490 Main St.	330.00	5/31/54			
Duluth, Minn.	5 North 3rd Ave., W	999.00	6/30/54**	11/30/58	53 "	1,320.00
El Paso, Texas	First Natl. Bldg., 111 N. Oregon St.	1,680.00	7/31/54**	6/30/56	23 "	1,800.00
Erie, Pa.	931 State St.	540.00	M-to-M			
Evansville, Ind.	109 Main St.	654.00	4/30/54			
Flint, Mich.	124 E. Kearsley St.	850.20	12/31/53**			
Fort Wayne, Ind.	115 West Washington Blvd.	600.00	1/31/56			
Green Bay, Wisc.	322 North Adams St.	600.00	4/30/54**			
Greensboro, N.C.	122 W. Market St. (Guard Station)	300.00	M-to-M			

(Contemplated, but not yet in effect)

** In these instances, lease is automatically extended for additional year in absence of 90 days prior notice of termination at expiration date specified.

[fol. 6032c]

City	Address	Present Annual Rental	Present Expiry Date	Extend Lease To	Period of Extension	Annual Rental Under Extended Term
Hamilton, Ohio	Frechtling Bldg., 25 N. Second St.	$ 664.57	2/28/54			
Jackson, Mich.	110 Michigan Ave., West	746.00	7/31/57			
Jamaica, L.I. N.Y.	Union Hall St. (Guard Station)	120.00	M-to-M			
Kalamazoo, Mich.	122 Michigan Ave., West	996.00	"	7/31/58	60 Months	$ 1,200
Kansas City, Kans.	827 North 7th St.	1,080.00	4/30/54			
Knoxville, Tenn.	421 W. Clinch Ave.	600.00	7/31/54			
Lansing, Mich.	110 W. Michigan Ave.	930.00	6/11/54			
Lincoln, Nebr.	Trust Bldg.	654.00	2/28/54			
Moline, Ill.	1417 Fifth Ave.	973.00	2/28/55			
		elec. 48.00				
Muncie, Ind.	203 E. Adams St.	443.00	5/31/54**			
Muskegon, Mich.	379 W. Western Ave.	990.00	8/31/54			
Oshkosh, Wisc.	11 Algoma Blvd.	300.00	4/30/54			
Quincy, Ill.	417 Hampshire St.	630.00	6/30/54**			
		elec. 48.00				
Racine, Wisc.	203 5th St.	660.00	4/30/54			
Reading, Pa.	13 N. 5th St.	540.00	M-to-M			
Rockford, Ill.	216 S. Main St.	780.00	8/31/56			

** See footnote on page 4193.

[fol. 6032d]

City	Address	Present Annual Rental	Present Expiry Date	Extend Lease To	Period of Extension	Annual Rental Under Extended Term
Saginaw, Mich.	100 East Genesee	660.00	10/31/53**			
Scranton, Pa.	507 Lackawanna Ave.	399.96	M-to-M			
Sioux City, Iowa	Commercial Block Bldg. at 505-511 Pierce St.	776.00	7/31/54*			
Sioux Falls, S.D.	204 N. Phillips Ave.	180.00	2/28/53			
South Bend, Ind.	Oliver Hotel Bldg.	720.00	10/31/53			
Spokane, Wash.	808 Sprague Ave.	1,200.00	M-to-M			
Springfield, Ohio	131-133 S. Limestone St.	312.00	1/31/53**			
St. Joseph, Mo.	414 Felix St.	900.00	4/30/54**			
Superior, Wisc.	1212 Tower Ave.	264.00	M-to-M			
Tacoma, Wash.	105 S. 10th St.	1,200.00	"	10/31/56	39 Months	$ 1,320
Trenton, N.J.	9 W. State St.	450.00	"			
Utica, N.Y.	129 Genesee St.	600.00	"			
Waterbury, Conn.	103-123 Grand St. Buckingham Bldg.	840.00	"			
Wichita, Kans.	158 N. Topeka Ave.	1,020.00	7/31/54**	7/31/58	48 "	1,200

** See footnote on page 4193.

[fol. 6033] EXHIBIT E

Agreement dated —, 1953, between The Western Union Telegraph Company (Western Union) and American District Telegraph Company, a New Jersey corporation (ADT),

Witnesseth:

Whereas, Western Union and ADT, having theretofore adopted plans for employees' pensions, disability benefits and death benefits, entered into an Agreement made the 2nd day of April, 1913, describing the terms and conditions under which benefits under said plans might be assumed and interchanged;

Now, Therefore, the parties hereto agree that said Agreement made the 2nd day of April, 1913, is hereby terminated and that their respective plans shall be appropriately amended to eliminate reference to the interchange provided by said Agreement, and no agreement shall hereafter be in force for interchange of benefits or for interchange of benefit obligations under said plans (as the same have from time to time been amended and revised), except that said Agreement shall continue in full force and effect to the following extent:

1. Each person now receiving pension payments which are prorated between Western Union and ADT (which term is used herein to include the controlled companies of ADT) in accordance with the plans and said Agreement on the following basis:

(A) The total pension is computed on the basis of (i) whichever "term of employment", as define in the respective plans, was the longer, and (ii) the total combined pay during the ten years next preceding retirement;

(B) The total pension is prorated between Western Union and ADT on the basis of the rate of pay the employee was receiving from each company as of the last day he was on the active roll (with the social security deduction similarly prorated at age 65); and

(C) The total pension is paid by Western Union and ADT's prorated portion is billed monthly to ADT;

shall continue to be entitled to such pension benefits under [fol. 6034] the plans and said Agreement; and Western Union shall continue to make payment of the total pension to each present pensioner, and ADT shall reimburse Western Union, as billed monthly, for its prorated portion.

2. Each person now on the active roll of Western Union and of ADT shall continue to be entitled to benefits under the plans and said Agreement as follows: so long as he continues on both active rolls, any pension, disability benefits or death benefit to which he or his beneficiaries may become qualified under the plans shall be computed on the basis described in subparagraph (A) of Paragraph 1 above and, except in the case of injury or death due to accident arising out of and in the course of employment of any company, shall be prorated on the basis described in subparagraph (B) of said Paragraph 1; and Western Union shall make payment of any benefit payment subject to such proration, and ADT shall reimburse Western Union as billed monthly, for its pro rata portion.

3. Each person, on the active roll of Western Union and of ADT immediately prior to the date hereof, who on the date hereof has ceased to be on the active roll of ADT without ceasing to be on the active roll of Western Union, and each person now on both active rolls who is hereafter discharged by ADT but remains on the active roll of Western Union, shall continue to be entitled to benefits under said plans and said Agreement as follows: a computation shall be made, as of the date he so ceased or ceases to be on the active roll of ADT, and on the basis described in subparagraph (A) of Paragraph 1 above, of any pension to which he would then be qualified (treating him, if in fact not qualified by age, as though he had reached the required age) if he had also then ceased to be on the active roll of Western Union, and the total pension so computed shall be prorated on the basis described in subparagraph (B) of said Paragraph 1; and such person shall, as of such date, without any action by the Employees' Benefit Fund Committee or by any officer of ADT, be placed on the pension roll of ADT at the portion of the total pension so prorated to ADT and ADT shall make payment of such pension to him, with-

out his right to such pension payments being suspended by reason of his continued employment by Western Union.

In Witness Whereof, Western Union and ADT have caused this agreement to be duly executed as of the day and year first above written.

The Western Union Telegraph Company, by M. P. Marshall, President.

American District Telegraph Company, By —— ——, President.

[fol. 6035] IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-51

Grinnell Corporation and The Equitable Life Assurance Society of The United States

$12,500,000
4½% Promissory Note
Due 1954-1968

Loan Agreement
Dated July 27, 1953.

[fol. 6036] GRINNELL CORPORATION

Loan Agreement

Agreement dated July 27, 1953, between GRINNELL CORPORATION, a Delaware corporation (hereinafter called "*the Company*"), and THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES, a New York corporation (hereinafter called "*the Lender*"):

Witnesseth:

§ 1. *The Notes.* The Company proposes to borrow $12,500,000 from the Lender, evidenced by a promissory note of an equal principal amount; such note to be dated the closing date hereinafter mentioned, to be due in installments on July 1 in each of the years 1954 to 1968, inclusive, to bear interest on the unpaid portion of the principal thereof from its date at the rate of 4½% per annum payable semi-annually on January 1 and July 1 in each year, and to be substantially in the form annexed hereto as *Exhibit A*. As used herein, the terms "*Note*" and "*Notes*" are intended to refer to said promissory note hereinabove mentioned or one or more of the promissory notes subsequently issued pursuant to the provisions of said note or notes.

§ 2. *Representations and Warranties.* The Company represents and warrants as follows:

A. The Company is a corporation duly incorporated and validly existing, in good standing, under the laws of Delaware and is duly qualified as a foreign corporation, and is authorized to do business, in all other States and jurisdictions wherein the character of the properties owned by the Company or the nature of the business transacted by the Company makes such qualification necessary, namely, Georgia, New York, North Carolina, Ohio, Pennsylvania and Rhode Island, and is in good standing in each of said States.

[fol. 6037] B. Annexed hereto as *Exhibit B* is a general description prepared by the Company of the business, operations and properties of the Company and its Subsidiaries (using said term herein as it is defined in *Exhibit A* hereto). The Schedule annexed to said *Exhibit B* contains a list of the Company's Subsidi-

aries, showing as to each Subsidiary the correct name thereof, the date and the State or jurisdiction of its incorporation, the States or other jurisdictions in which it is qualified to do business, the number of shares of stock of each class authorized and the number thereof outstanding, and the percentage of such outstanding shares owned by the Company and by any other Subsidiary, respectively. The shares of outstanding stock of each Subsidiary are full paid and non-assessable.

Annexed hereto as *Exhibit C* is a general description prepared by the Company of the business, operations and properties of American District Telegraph Company, a New Jersey corporation (hereinafter called "*ADT*"), and its subsidiary corporations (using said term herein as it is defined in *Exhibit A* hereto). The Company has entered into an agreement dated June 16, 1953, with The Western Union Telegraph Company (hereinafter called "*Western Union*") for the purchase by the Company from Western Union of 405,426 shares, or approximately 62%, of the outstanding capital stock of ADT, all of which is voting stock (using said term as it is defined in *Exhibit A* hereto) of the same class. The Company has heretobefore delivered certified conformed copies of said Agreement, including *Exhibits A* to *E* thereto, and of a letter agreement dated July 9, 1953, amendatory thereof (said Agreement as amended by said letter agreement being hereinafter referred to as said Agreement or said Agreement dated June 16, 1953) to the Lender. *Exhibit A* to said Agreement contains a list of ADT's subsidiary corporations (therein designated "*Controlled Companies*") showing, as to each subsidiary corporation, the correct name thereof, the State of its incorporation and the percentage of its outstanding stock owned by ADT. The shares of outstanding stock of ADT and of each such subsidiary corporation are in each case of one class and are full paid and non-assessable.

Neither said *Exhibit B* nor said *Exhibit C* omits to state any material fact necessary to make the statements therein not misleading and each thereof sets forth a reasonably complete summary description of the business, operations and properties, in the case of

[fols. 6038-6040] said *Exhibit B*, of the Company and its Subsidiaries and, in the case of said *Exhibit C*, of ADT and its subsidiary corporations.

Each Subsidiary and ADT and each of its subsidiary corporations is a corporation duly incorporated and validly existing under the laws of the particular State or jurisdiction wherein it was incorporated and is duly qualified as a foreign corporation, and is authorized to do business, in all other States and jurisdictions wherein the character of the properties owned by it or the nature of the business transacted by it makes such qualification necessary, and is in good standing in each of said States and jurisdictions.

* * * * * * *

[fols. 6041-6042] F. There are no actions, suits or proceedings pending, or to the knowledge of the Company threatened, against or affecting the Company or any Subsidiary or ADT or any of its subsidiary corporations or the property of the Company or of any Subsidiary or of ADT or of any of its subsidiary corporations in any court or before or by any Federal, State, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign (except actions, suits or proceedings of the character normally incident to the kind of business conducted by the Company and its Subsidiaries and by ADT and its subsidiary corporations which, if adversely determined, would not materially impair the right of the Company or of any Subsidiary or of ADT or of any of its subsidiary corporations to carry on its business substantially as now conducted); and neither the Company nor any Subsidiary nor ADT nor any of its subsidiary corporations is in default with respect to any order, writ, injunction, decree or demand of any court or Federal, State, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

* * * * * * *

[fol. 6043] § 3. *Making of the Loan.* Subject to the terms of this Agreement, the Company agrees to borrow from the Lender and the Lender agrees to lend to the Company

on July 28, 1953, or on such date prior thereto as the Company shall designate by not less than 5 days notice in writing to the Lender, the sum of $12,500,000, said loan to be evidenced by the Note, which shall be in an equal principal amount. The date of the making of said loan is herein referred to as the *"closing date"*. On the closing date the Company will deliver to the Lender at the principal office of Bank of the Manhattan Company, New York, N. Y., the Note, in printed form, payable to the order of the Lender, against delivery of a certified check in the amount of said loan payable in New York Clearing House funds to the order of the Company.

* * * * * * *

§ 4. *Conditions.* The obligation of the Lender to make said loan shall be subject to the following conditions:

* * * * * * *

[fol. 6044] D. The Lender shall have received from Messrs. Wickes, Riddell, Bloomer, Jacobi & McGuire, who are acting as special counsel for it in connection with the transactions hereby contemplated, an opinion in scope and substance satisfactory to the Lender.

* * * * * * *

[fol. 6045] (4) as to the opinions and evidences of title referred to in *Subsections E, F, G* and *H* of this Section being satisfactory in scope and substance; and

* * * * * * *

E. The Lender shall have received from Roger T. Clapp, Esq., counsel for the Company, an opinion in scope and substance satisfactory to the Lender and its said special counsel

* * * * * * *

(5) as to the opinions and evidences of title referred to in *Subsections F, G* and *H* of this Section, to the extent that such opinions or other evidence

referred to in *Subsection H* are not rendered by said counsel, being satisfactory in scope and substance.

[fols. 6046-6049] F. The Lender shall have received from Messrs. Bleakley, Platt, Gilchrist & Walker, special counsel for the Company, an opinion in scope and substance satisfactory to the Lender and its said special counsel as to the absence of any restriction in any Federal or State anti-trust law or regulation thereunder applicable to the acquisition by the Company from Western Union of said 405,426 shares, constituting approximately 62%, of the outstanding capital stock of ADT and as to the validity of such acquisition under all such laws and regulations.

G. The Lender shall have received from John H. Waters, Esq., General Attorney for ADT, an opinion in scope and substance satisfactory to the Lender and its said special counsel

* * * * * * *

(3) as to the absence of any restriction in any Federal or State law or regulation applicable to the transfer by Western Union to the Company of said 405,426 shares of the outstanding capital stock of ADT, as to the validity under Federal and State law of such transfer and as to no approval of such transfer by any public regulatory body being required.

* * * * * * *

[fol. 6050-6051] In Witness Whereof, the parties hereto have caused this Agreement to be duly executed.

Grinnell Corporation, By J. D. Fleming, President.
The Equitable Life Assurance Society of the United States, By M. C. Laffey, Treasurer, and Henry G. Wood, Secretary.

[fol. 6052] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-52

DEPARTMENT OF JUSTICE
Washington, D. C.

June 29, 1953.

SNB:EJ
60-0-37

Mr. J. D. Fleming, President
Grinnell Corporation
260 West Exchange Street
Providence 1, Rhode Island

My dear Mr. Fleming:

Published sources recently announced that Grinnell Corporation plans to acquire the stock of American District Telegraph Co. of New Jersey presently owned by Western Union Telegraph Co. While we do not mean that such an acquisition would violate the antitrust laws, it does raise certain questions under those laws. For this reason we would appreciate receiving the following information:

a) Describe, in general terms, the nature of the business and operations of Grinnell Corporation and American District Telegraph Co.

b) List and describe each product made and sold, and each service rendered, by each of these companies.

c) Describe the geographical trade area in which each company sells its product or service, and state for each area the net sales of each of the products or services referred to in b) above sold by each company during each of the years 1950 to 1952 inclusive.

d) Name the principal competitors of each company in each trade area, listing the products or services of each which are comparable to those of the companies involved in this acquisition, and the net sales by each such competitor for each such product or service in each of the years 1950 to 1952 inclusive.

e) Explain the reasons for the present acquisition.

Should you or your counsel desire to submit this information personally here in Washington rather than by [fol. 6053] mail, feel free to contact Mr. Ephraim Jacobs, Chief, Legislation and Clearance Section, to arrange a mutually convenient time.

Sincerely yours, Stanley N. Barnes, Assistant Attorney General.

[fol. 6054] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-53

Letterhead of
GRINNELL CORPORATION
Providence 1, R. I.

July 2, 1953.

William D. Gaillard, Jr. Esq.
Milbank, Tweed, Hope & Hadley
15 Broad Street
New York 5, N. Y.

Dear Bill:

I am enclosing copy of letter received today from the Department of Justice, which I read in part to you over the telephone.

As I told you, I feel that the only reasonable thing to do is to request an extension for the completion of this purchase until the matters raised by this letter are cleared up. I understand that you are going to discuss this with Mr. Marshall and that I will probably hear from you on Monday next.

Yours very truly, Roger T. Clapp, Secretary and Counsel.

RTC:W

[fols. 6055-6056] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-54

Letterhead of
GRINNELL CORPORATION
Providence 1, R. I.

July 2, 1953.

Millard J. Bloomer, Jr., Esq.
Messrs. Wickes, Riddell, Bloomer, Jacobi & McGuire
60 Broadway
New York 4, N. Y.

Dear Mr. Bloomer:

Confirming telephone conversation, I am enclosing copy of letter we have just received from the Department of Justice.

As I told you, I have reported this to Mr. Wm. D. Gaillard, Jr., attorney for Western Union, and have suggested to him the advisability of an extension of the time for completion of this purchase until the matters covered by this letter can be cleared up.

I much appreciate your suggestion that some of your associates who specialize in antitrust work might give some consideration to this matter with a view to seeing whether any helpful suggestions may be forthcoming.

Yours very truly, Roger T. Clapp, Secretary and Counsel.

RTC:W

[fol. 6057] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-55

DEPARTMENT OF JUSTICE
Washington, D. C.

SNB:EJ
60-0-37

July 23, 1953.

Frank A. Fritz, Esquire
Bleakley, Platt, Gilchrist & Walker
120 Broadway
New York 5, New York

Dear Mr. Fritz:

This is to thank you for your letter of July 13, 1953, concerning Grinnell Corporation and American District Telegraph Company, and for the materials submitted therewith. Your cooperation in furnishing the information requested is very much appreciated.

Sincerely yours, s/ Stanley N. Barnes, Stanley N. Barnes, Assistant Attorney General.

[fol. 6058] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-56

Bleakley, Platt, Gilchrist & Walker

120 Broadway
New York 5, N. Y.

July 13, 1953.

Ephraim Jacobs, Esq.
Chief, Legislation and Clearance Section
Room 3212
Department of Justice Building
Washington, D. C.

Dear Mr. Jacobs:

The additional data which you requested at last Friday's conference is as follows:

1. As to Holmes and ADT in the three cities in which Holmes operates, namely, New York, Philadelphia and Pittsburgh, in the field of burglar alarm (including hold-up alarm and bank vault) protection,

a) Estimate of total annual volume of Holmes, ADT and all others for 1952

New York	$13,800,000.00
Philadelphia	1,015,000.00
Pittsburgh	328,500.00

b) ADT 1952 revenue

New York	$ 326,651.00
Philadelphia	34,097.00
Pittsburgh	3,182.00

c) Holmes 1952 revenue

New York	$ 5,130,986.05
Philadelphia	635,284.22
Pittsburgh	290,333.41

[fol. 6059]

d) Principal competitors of Holmes

New York	Philadelphia	Pittsburgh
Central Station Signals, Inc.	Owl Protective Co., Inc.	Ace Burglar Alarm Co.
Bell Burglar Alarm Co.	Philadelphia Protective Wiring Co.	
Central Electric Alarms		
Certified Burglar Alarms, Inc.		
Cosmopolitan Detective Bureau		
Eagle Burglar Alarm Corp.		

Eastern District Burglar Alarm Co.
General Burglar Alarm Co., Inc.
New York Merchants Protective Co., Inc.
Owl Protective Co., Inc.
Star Protection Co., Inc.
World Electric Protection Co.

There are a great many other smaller concerns rendering local alarm, patrol and watch service.

2. As to Automatic Fire Alarm and ADT in the three cities in which AFA operates, namely, New York, Philadelphia and Boston, in the fields of automatic fire alarm and sprinkler system supervision and fire alarm.

a) Estimate of total annual volume of Automatic Fire Alarm, ADT and all others for 1952

New York	
Automatic Fire Alarm	$1,015,000
Sprinkler Supervisory	1,595,000
Philadelphia	
Automatic Fire Alarm	$ 545,000
Sprinkler Supervisory	407,000
Boston	
Automatic Fire Alarm	$ 324,000
Sprinkler Supervisory	326,000

[fol. 6060]

b) ADT 1952 revenue

New York	
Automatic Fire Alarm	$614,206
Sprinkler Supervisory	610,568
Philadelphia	
Automatic Fire Alarm	$303,005
Sprinkler Supervisory	271,689
Boston	
Automatic Fire Alarm	$105,542
Sprinkler Supervisory	167,630

c) Automatic Fire Alarm 1952 revenue

New York	
Automatic Fire Alarm	$220,244
Sprinkler Supervisory	494,542
Philadelphia	
Automatic Fire Alarm	$116,241
Sprinkler Supervisory	135,139
Boston	
Automatic Fire Alarm	$124,140
Sprinkler Supervisory	50,360

d) Principal competitors of Automatic Fire Alarm and ADT (fire and sprinkler supervisory alarm)

New York	Philadelphia	Boston
Central Station Signals, Inc.	Owl Protective Co., Inc.	General Alarm Corp.

In addition to the three central station companies mentioned, there are numerous manufacturers, suppliers and installers of electric systems which are in competition with the service furnished by Automatic Fire Alarm and the ADT service. Some of these are:

Acme Fire Alarm Co., Inc; American Fire Prevention Bureau, Inc., MacFarlane Fire Prevention Corp.; Mohawk Electric Mfg. Co.; Protecto Wire Co.; Signal Engineering & Mfg. Co.; Sperti Farady Inc.; Atmo Fire Alarms System

[fol. 6061] 2. Copy of agreement of April 29, 1907, between General Fire Extinguisher Company (now Grinnell Corporation), ADT and Automatic Fire Protection Company, expiring February 18, 1954, under which Grinnell furnishes actuating devices for central station sprinkler supervisory contracts for a 25% participation in revenues from this service.

In 1913 ADT took over all rights and obligations of Automatic Fire Protection Company and thereafter Automatic Fire Protection Company did nothing but continued to receive a reduced participation in the revenues until 1949 when ADT purchased all of their residual rights under this agreement.

3. You did not in your final list of items requested, ask for a copy of the 1907 Grinnell-ADT-Automatic Fire Alarm Company agreement but since this was referred to earlier in our conference we enclose a copy of the same, i.e., agreement of April 29, 1907, between General Fire Extinguisher Company (now Grinnell Corporation), ADT Automatic Fire Protection Company, and Automatic Fire Alarm Company, Consolidated Fire Alarm Company and Boston Automatic Fire Alarm Company, also expiring February 18, 1954.

Note: Exhibit A referred to in this agreement is Item 2 above. Automatic Fire Alarm Company, Consolidated Fire Alarm Company and Boston Automatic Fire Alarm Company are today consolidated into a single company, namely, Automatic Fire Alarm Company.

4. Total ADT purchases of materials and equipment (raw materials such as aluminum, brass, bronze, steel, iron and brass castings, bakelite parts, contacts, meters, relays,

resistors, copper tubing, wire, etc.) in 1952 were $2,932,000. None of this is material which Grinnell Corporation produces or is in a position to supply except actuating devices it now furnishes.

Grinnell *sales* of actuating devices to ADT in 1952 were $163,694.

Not included in the above total of ADT purchases are Grinnell's participation in contract revenues for actuating devices under the 1907 agreement totalling for 1952 $1,949,895, of which amount $326,431 was with respect to such devices furnished in 1952 and the balance was with respect to devices furnished in prior years.

[fol. 6062] ADT has no supply contracts which will be terminated (on the ground that Grinnell can supply the items involved) after Grinnell acquires control of ADT.

5. Balance sheets and income statements for 1952 of Automatic Fire Alarm, Holmes and ADT.

Very truly yours, Frank A. Fritz.

FAF/ech

Enc. 3

[fol. 6063] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-59

INTER DEPARTMENT CORRESPONDENCE

To: Department Managers, Fire Protection Division.
From: Roger T. Clapp, Secretary, Providence, R. I.
Subject: Commissions on Central Station Supervisory Business.

Date: July 24, 1950.

Dear Sir:

On September 29, 1947 I wrote all Fire Protection Department Managers on the above subject, pointing out that our Company had a financial interest in the volume of Central Station Sprinkler Supervisory and Valve Alarm contracts closed by the American District Telegraph Com-

pany and urging your cooperation with your local A.D.T. representative by referring prospects to him and assisting him in selling their services.

I further stated that, in cooperation with Mr. Swats, I was prepared to offer you a commission, based on the first year's rental, on all such A.D.T. Central Station Sprinkler Supervisory and Valve Alarm contracts where you had cooperated with the A.D.T. in their closing of the same, such commission to be paid semiannually based on the periods from July 1 to December 10 and December 11 to June 30 until further notice.

The only condition is that you write me on each occasion before the A.D.T. contract is closed, giving the customer's name and the city where he is located and stating in brief what you have done to promote a contract.

Over the past three years I have noted that there are only about five or six sprinkler offices that have consistently taken advantage of this offer by reporting instances of cooperation with A.D.T. and receiving commissions where A.D.T. contracts have been closed. Some of these are large volume offices and some are offices which serve more limited territories.

I would accordingly again urge all offices, and particularly those who have not been active in this respect, to take advantage of this offer.

To assist us in checking, please try to report the name of the customer who will sign the A.D.T. contract if they are successful in selling him service. In case of doubt, for example where you are not sure whether the owner or the tenant of a building will contract for supervisory service, give both names. If more than one location is involved, please give particulars.

Yours very truly, ——, ——, Secretary.

RTC:W

[fol. 6064] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-60

INTER DEPARTMENT CORRESPONDENCE

To: Department Managers, Fire Protection Division.
From: Roger T. Clapp, Secretary, Providence, Rhode Island.

Date: June 10, 1963.

Subject: Commissions on Central Station Supervisory Business.

Gentlemen:

It has been considered advisable to discontinue the practice of paying commissions for assisting ADT in securing central station sprinkler supervisory and valve alarm contracts in cases where such assistance has resulted in ADT's securing a service contract.

Accordingly this plan will be discontinued effective June 30, 1963.

We will continue to pay commissions in cases where I have been advised prior to June 30 of this year of assistance given to ADT where this results in an ADT service contract signed before January 1, 1964.

I appreciate the help you have given ADT in the past and hope that in the future, if opportunity offers, you may still be able to assist them.

Mr. Hodges approves this decision.

Yours very truly, R. T. Clapp, Secretary.

RTC:W

[fol. 6065] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-62

INTER DEPARTMENT CORRESPONDENCE

To: Department Managers, Contracting Engineers, Superintendents of Construction, Department Engineers.
From: Mr. O. L. Swats, Providence

Date: February 20, 1954.

Subject: American District Telegraph.

Dear Sir:

This is to advise you of the new procedure relative to the installation of A.D.T. Supervisory Devices on Fire Protection Systems. The procedure is in accordance with A.D.T.'s recently announced policy in that they will, in the first instance, offer the installation of their devices to the installing company.

On all contracts closed by A.D.T. after February 18, 1954, the installation of their devices will be sublet to a sprinkler contractor on a Day Work basis.

All work performed by Grinnell, at the request of A.D.T., will be handled on our *regular Day Work basis.* A.D.T. will furnish, at the job site, all required materials; we will perform the labor of installation *only.* If any materials are short, notify the A.D.T. Superintendent and have him furnish them. Do not order any devices from Providence.

There may be occasions, on special installations, when A.D.T. will require a quotation from us. All requests for a firm price from A.D.T. are to be forwarded to Mr. C. B. Walker, Sprinkler Supervisory Manager, in Providence, and will be handled in their entirety by Mr. Walker.

The billing for work done for A.D.T. on a Day Work basis will be handled similar to any other Day Work order.

If you have any questions concerning the above procedure, please write to this office.

Very truly yours, O. L. Swats, Manager, Fire Protection Division.

JFE:sc:mud

cc—Mr. C. H. Rison.
cc—√Mr. R. T. Clapp.
cc—Mr. C. B. Walker.

[fol. 6066] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-65

HOLMES ELECTRIC PROTECTIVE COMPANY

370 Seventh Avenue

New York 1, N.Y.

April 21, 1950.

H. C. Ward
President

To All Employees:

All of the stock of Holmes Electric Protective Company (New York, which for many years has been owned by New York Telephone Company as sole stockholder, has been purchased by Grinnell Corporation, an old-established business founded in 1850. The transfer of ownership is effective as of April 21, 1950.

This sale of stock of course also carries with it control of the stock of our Philadelphia and Pittsburgh Companies held by Holmes of New York, but each of the Holmes Companies will retain its separate and individual corporate status and will continue to operate as a going business organization as at present. No present changes in working practices or personnel are contemplated and I am continuing in my present position.

Specifically, no changes are contemplated in any of the Holmes Companies' "Plans for Employees' Pensions,

Disability Benefits, and Death Benefits", though it will be understood that with the sale of the Holmes of New York stock we will no longer be connected with the New York Telephone Company or any other Bell Telephone Company and that the agreement for interchange of benefits with the New York Telephone Company will accordingly be terminated. This will not in any way affect previous Bell System service already credited to Holmes employees under our own Plans.

Under the provisions of Section 14 of the Terms of Offering of the Employees' Stock Plan of the American Telephone and Telegraph Company all elections to purchase by employees of the Holmes companies will be deemed to have been cancelled upon the transfer of ownership of stock on April 21st. As in the case of cancellation for any other reason, employees may elect to receive full cash refund for all payments made, with interest, or to apply the amount which would otherwise be received in cash to obtain the number of shares which such amount will pur- [fol. 6067] chase under the Plan and receive the balance, if any, in cash. Such election should be made promptly, and forms for that purpose will be available through organization lines.

I think all of us have taken a very real pride through the years in the Holmes business and some feeling of regret at the severance of connection with the telephone industry is only natural. We look forward, however, to a long and pleasant association with our new stockholder, Grinnell Corporation, which asks of us only that we all continue to work together with that spirit which in the past has accomplished so much in the development and growth of our business. I am entirely confident that, as usual, our Holmes organizations will do the job!

Sincerely, /s/ H. C. Ward, President.

[fol. 6068] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-66

Controlled companies of
AMERICAN DISTRICT TELEGRAPH COMPANY
Executive Offices, 155 Sixth Ave.
New York 13, N.Y.

J. A. MacDonald
Vice President

June 24, 1953.

Mr. Roger T. Clapp
Secretary and Counsel
Grinnell Corporation
275 West Exchange Street
Providence 1, Rhode Island

Dear Mr. Clapp:

Referring to our telephone conversation, today, I am enclosing three copies of circular announcement to all employees dated June 24, 1953.

Yours very truly, /s/ J. A. MacDonald, Vice President.

MRH

[fol. 6069] June 24, 1953.

To All ADT Employees

Tentative arrangements have been made to bring about the sale by the Western Union Telegraph Company of all of its holdings of the common stock of the American District Telegraph Company, (N.J.), to the Grinnell Corporation of Providence, Rhode Island. Announcement of this transaction had not been contemplated until final consummation of the sale, which may not take place for some time, but because the story was featured in today's newspapers, it appears best to give it to you as we know it.

The purpose of the contemplated sale is solely to place Western Union in possession of additional funds to permit

more rapid expansion of its facsimile and leased wire telegraph business. It was a hard choice but the primary interest of Western Union must lie in its communication services, much as that Company regrets to dispose of stock which it has held since the incorporation of ADT in 1902.

While there must be some measure of regret at the severance of our long and pleasant relation with Western Union, the management of ADT takes pride and pleasure in this closer association with Grinnell Corporation. Our years of working with Grinnell and its people have developed a mutual respect and understanding which augurs well for a bright future.

The responsible officials of Grinnell Corporation have stated their intention to have ADT Company and all of its subsidiaries continue to do business in the same manner and under the same management. The Plan for Employees' Pensions, Disability Benefits and Death Benefits will be continued. Except for some Executive office promotions, no personnel or policy changes are contemplated and I convey to each of you my own sincere conviction that the community of interests which bind ADT and Grinnell will inure to the benefit of our Company and its future prospects. With your enthusiastic cooperation, we will continue to go forward together as in the past.

/s/ E. Gaston, President.

AL

[fol. 6070] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-69

Memorandum of Material for Discussion with Messrs. Gaston and MacDonald on June 16

To review briefly the history of the negotiations, these were begun on the basis that both parties were interested in a renewal of the existing agreement along substantially the same lines for a further period beyond 1954.

At an early date in the negotiations it was tentatively agreed that the existing agreement would be extended for a period of 20 years; that Grinnell's obligations would remain the same, namely, to furnish and install all required

actuating devices for ADT Central Station Sprinkler Supervisory Service contracts, which devices would remain the property of Grinnell; and that Grinnell was to be compensated on the same basis, namely, receiving an agreed percentage of the revenues from the service contracts.

The second phase of the negotiations involved a discussion as to what would be a fair percentage of participation for Grinnell to apply after 1954, in connection with which financial studies were prepared by both parties. This phase of the negotiations ended when the ADT attorneys questioned the legality of the proposed extension agreement.

Inasmuch as the above negotiations contemplated continuance of the present agreement, it was not necessary to discuss any differentiation between the participation percentage Grinnell would receive with respect to contracts already in service in 1954 and under contracts to be taken after 1954, as it was understood that whatever percentage was arrived at would apply to both categories.

On resumption of negotiations after extended discussions between attorneys for the two companies, Mr. Gaston advanced the suggestion that an agreement be first made which would involve participation by Grinnell at an agreed percentage in the revenues received after 1954 with respect to contracts in service in 1954 and renewals of the same, with the understanding that such percentage would be based on the scale of contract revenue in existence in 1954 regardless of any subsequent increase or decrease of the same. Mr. Gaston indicated that if a tentative agreement could be reached along the above lines we could then proceed to consider on what basis arrangements could be made for Grinnell to continue to furnish actuating devices on contracts taken after 1954.

Mr. Fleming indicated that we would be interested in proceeding along the lines Mr. Gaston had suggested.

From Grinnell's standpoint this new approach, namely, to consider first the basis for continued participation by [fol. 6071] Grinnell under existing contracts, led to the consideration of what would be Grinnell's rights and obligations after 1954 with respect to service contracts then in effect if no agreement were reached.

After considering this ourselves we consulted, in order to obtain an outside opinion, Mr. Claude R. Branch, former

Assistant United States Attorney General and senior partner of the firm of Choate, Hall & Stewart, Boston. His views as to the rights and obligations of the parties after 1954 agreed with our own and are essentially as follows:

He began with the fact that the 1907 agreement nowhere specific what we call the terminal rights of the various parties after February 1954, when the agreement is stated to expire. He also gave consideration to what he considered to be the nature of the agreement, namely, a joint venture between the three parties in the nature of a partnership, and to the interpretation of the agreement in practice by the parties, namely, that so far as Grinnell is concerned, while its specific obligation is to furnish and install the actuating devices (which remain its property), its implied obligation is to permit its devices to reman in service so long as central office service is rendered at the particular location whether under the original service contract or renewals of the same or under new contracts with subsequent owners of the premises.

As he reviewed the contracts and the background of the situation, he felt that as to the rights of the parties in 1954 there could be only one of two answers.

The first possibility is that the contract would be interpreted as though it were an arm's-length commercial transaction under which everything abruptly ends on February 18, 1954, at which time each party would own and could remove or otherwise deal with whatever belonged to it. In other words, all participants in the game at that point would pick up their own marbles and go home. Such, for example, might have been the case if the original agreement had been along the lines that Grinnell would with respect to each service contract taken during the term of the agreement sell to McElroy (and after 1913 to ADT) all required actuating devices on an installed basis at a fixed schedule of prices. In such case, when 1954 arrived Grinnell would simply cease selling actuating devices, unless a new arrangement were made, and would be left to dispose of as best it could any devices on hand and its equipment for producing the same.

The above, however, is not the actual nature of the agreement. Mr. Branch's opinion, as well as our own, is that the agreement is more in the nature of a co-operative

arrangement under which all the three original parties [fol. 6072] furnish certain materials and equipment and perform certain services and would participate in agreed proportions in the revenues from such contracts as were brought within the agreement.

Mr. Branch then proceeded to consider what might happen if this first theory were correct and everything ended abruptly in 1954. Suppose a number of large service contracts were taken by ADT within a few months prior to February 1954. There being nothing in the agreement to the contrary, Grinnell would be obligated to furnish and install the actuating devices. If everything ends in February 1954, Grinnell might well receive no return whatever, having made these installations, and would be left with the sole right of removing its devices within a few months after the same had been installed. This could not reasonably have been contemplated by the parties.

The other alternative theory, which both Mr. Branch and we feel to be the sound one and which is based both on the nature of the agreement and the history of its practical operation, is that the termination of the agreement ends the period within which central station contracts come under is terms, but that as to existing contracts taken within the term of the agreement the rights and obligations of the parties remain fixed and continue after 1954.

So far as Grinnell is concerned, its obligations, continuing after 1954, are to leave the devices as furnished and installed under contracts then in force in service for the duration of service at the particular location. ADT's continuing obligations are to render central office service for the same period. So far as the rights of the parties are concerned, these rights similarly continue, namely, in the case of Grinnel the right of continued participation in the revenues at the specified rate of 25%.

In other words, our position is that the 1907 agreement provided the framework for the handling of such service contracts as should be taken within its duration but that as to each such contract the obligations of the parties to continue to render service and to permit the use of their equipment in service and their corresponding rights to participate in the revenues continue for the duration of central office service at the particular location regardless

of the fact that such duration may extend beyond the terminal period of 1954, after which no new contracts can be brought under the agreement.

RTC:W Roger T. Clapp

June 7, 1952

[fol. 6073] *The following is a somewhat more detailed explanation of our theory of continuing obligations and participation rights with respect to all service contracts in force in 1954.*

The theory on which our position is based is that the controlling agreement, which is the 1907 agreement between ADT, McElroy and Grinnell, essentially provided three things:

1. That the three parties would work together in the field of central station sprinkler supervisory and valve alarm business throughout the United States each making certain specified contributions of equipment or services, or both, required for the installation and operation of service contracts and would divide the revenues in certain fixed proportions. In other words, a co-operative venture in the nature of a partnership.

2. The arrangement would apply in general to all central station supervisory contracts made with customers during the life of the agreement, i.e. from April 29, 1907 to February 18, 1954.

3. A detailed description of what each party was obligated to do with respect to each service contract taken.

Our position, based on the above, and which is borne out by the actual practice from 1907 to date, is that as each service contract is taken both the obligations and rights of the three parties became vested and fixed for the duration of service at the particular location.

McElroy would be obligated to furnish the transmitters and to permit the same to be used for the duration of service at the location and would be entitled to receive 25% of the revenues.

Grinnell would be obligated to furnish and install the actuating devices and to permit the same to be used for

the duration of service at the location and would be entitled to receive 25% of the revenues.

ADT would be obligated to furnish the interior wiring, to provide the outside circuits, to furnish the central station service and to collect and distribute among the partners the revenues, again all for the duration of service at the location.

If this position is sound and both the rights and obligations of the co-operating parties are fixed as each service contract is taken for the duration of service at the location it necessarily follows that the arrival of 1954 has no effect except as terminating the period within which new contracts can be brought under the operation of the agreement. [fol. 6074] This result is not unusual. Suppose the case of a contract under which Grinnell agrees to supply all of the requirements of a customer for a five-year period of a specified device and further agrees to protect the customer against all claims that the device infringed patents of others (which we often do). Even though the obligation of Grinnell to furnish devices and its right to receive orders for the same ceases upon the expiration of the five-year period nevertheless in the absence of any provision to the contrary its obligation to protect the customer against infringement claims as to devices already supplied obviously continues.

Incidentally, our above theory, wholly aside from its being logical, practical and reasonable, solves a great many difficult questions as to what would happen if the correct interpretation was that all rights and obligations of all parties abruptly cease on February 18, 1954, among which are:

1

Why is the 1907 agreement silent as to terminal rights in 1954? Bearing in mind the situation in 1907 (which continued in effect until 1913) that McElroy was writing the service contracts and ADT was only operating them, it is hard to believe that the parties could in 1907 have contemplated the fact that under the "abrupt termination" theory with possibly thousands of service contracts taken by McElroy (who owned no central station facilities) in force in 1954 ADT could abruptly shut off service at midnight on February 18, 1954 and Grinnell could the next

day send in crews and dismount and remove all of its actuating devices, without making some provision to avoid such an impossible situation.

Under our theory of continuing obligations and participation rights for the duration of service at each location the above situation will not arise.

2

Who owns the service contracts, as distinguished from who owns the various items of physical equipment needed to furnish service?

Here again the 1907 agreement is silent. (The 1913 agreement between ADT and McElroy provided that in 1954 the service contracts would belong to McElroy and ADT equally: Grinnell was not a party to this agreement and was not bound by it.)

Under our theory this problem is unimportant since when the continuing obligations and participation rights [fol. 6075] of the parties cease with respect to any customer location the service contract will have expired and it is then unimportant who owns it.

3

Having in mind again the situation in 1907 when McElroy was taking the contracts (and supplying the transmitters) ADT was furnishing the electrical circuits and the central office service and Grinnell was furnishing and installing the actuating devices, the parties must have contemplated that up to February 1954 both Grinnell and ADT would be obligated accordingly. Under the "abrupt termination" theory, with respect to many service contracts taken as 1954 approached both ADT and Grinnell might receive little—or possibly, no—return. Again why did not the 1907 agreemnt make some provision for this contingency?

Again under our theory of continuing obligations and participation with respect to all service contracts in force in 1954 this problem would not arise and there would have been no necessity to provide for it.

[fol. 6076] In United States District Court

Defendants' Exhibit J-70

Cable Address
Platfield

Bleakley, Platt, Gilchrist & Walker
120 Broadway
New York 5, N. Y.

July 23 1953

The Equitable Life Assurance Society
of the United States
393 Seventh Avenue
New York, New York

Dear Sirs:

We have acted as special counsel for Grinnell Corporation (hereinafter called the Company) together with Roger T. Clapp, Esq., general counsel of the Company, in connection with the loan by you to the Company, in the principal amount of $12,500,000 under and pursuant to the provisions of a Loan Agreement between you and the Company dated June 27, 1953 (hereinafter called the Loan Agreement).

In this capacity and at the request of the Company, we have examined the Agreement between the Company and The Western Union Telegraph Company dated June 16, 1953 (hereinafter called the Agreement), referred to in the Loan Agreement and providing for the purchase by the Company of 405,426 shares, or approximately 62% of the outstnding capital stock of American District Telegraph Company, a New Jersey corporation (hereinafter called ADT). We have also examined the Certificates of Incorporation of the Company, of Holmes Electric Protective Company (a New York corporation) and Automatic Fire Alarm Company of Delaware (a Delaware corportion), both Subsidiaries of the Company, and of ADT. Our examination also included such other papers, documents and records disclosing the nature of the business and operations of the Company and of ADT and their respective subsidiaries as we considered necessary for the purpose of this opinion, as interpreted and explained by the officers of the Company and of ADT.

Based on the foregoing, we are of the opinion that there is no restriction contained in any Federal or State Anti-Trust Law or Regulation upon the acquisition by the Company of said 405,426 shares, constituting approximately 62% of the outstanding capital stock of ADT, and that such acquisition in accordance with the terms of the Agreement and of the Loan Agreement is valid under all such laws and regulations.

Very truly yours,

Bleakley, Platt, Gilchrist & Walker

[fol. 6077] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-14

NEW YORK, N. Y.

June 2, 1953

On the call of the President, and pursuant to the foregoing Waiver of Notice signed by all the Directors, a special meeting of the Board of Directors of GRINNELL CORPORATION was held on this 2nd day of June, 1953, at the office of the Company, 347 Madison Avenue, New York, N. Y., at ten o'clock in the forenoon (DST).

Present: Walter H. Bennett, R. Curtis Jordan, Allan W. Fritzsche, James D. Fleming, Gerald Whitman, Clarence H. Rison, Clifford G. Sherman, Roger T. Clapp
being a majority and quorum of the Board of Directors.

Proposed Purchase of Western
Union's Holdings of A.D.T. Stock

The President stated to the meeting that the Officers had been negotiating with The Western Union Telegraph Company for the purchase by this Company of 405.426 shares of the common stock of American District Telegraph Company out of 651,030 shares outstanding, being all the holdings of such stock of The Western Union Telegraph Company and comprising approximately 62% of the total outstanding stock.

He further stated that at a meeting with Mr. W. P.

Marshall, President of Western Union, on May 28, 1953, both he and Mr. Marshall had agreed to recommend to their respective Boards of Directors the purchase by Grinnell Corporation of said stock for a total cash price of $12,500,000, being the equivalent of $30.83 a share.

He reported in detail as to the net worth and the past, present and prospective earnings of the American District Telegraph Company.

He reported that Messrs. Bennett and Rison had been investigating sources of financing this purchase on the basis of a ten-year loan repayable in installments.

After thorough discussion, and upon motion, duly made and seconded, the following votes were unainmously adopted:

[fol. 6078] Voted: That this Board approves the purchase by this Company from The Western Union Telegraph Company of 405,526 shares of the common stock of American District Telegraph Company for a total cash price of $12,500,000, subject to the making of satisfactory financing arrangements to be approved by this Board.

Voted: To adjourn, to reconvenue at the office of the Company in New York at the call of the President on at least forty-eight hours' notice by telegraph to all the Directors.

Adjourned.

Attest: /s/ Roger T. Clapp, Secretary

[fol. 6079] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-75

Exhibit and 10 Attachments Treasurer's Report to Board

1928–1937 Earnings Data From Attached Reports of the Treasurer to the Board of Directors of General Fire Extinguisher Company (now Grinnell Corporation)

Year	Earnings (or Loss) Before Income Taxes*	Supervisory Earnings	Earnings (or Loss) if Supervisory Earnings Deducted
1928	$1,767,767	$ 475,409	$1,292,358
1929	1,980,239	521,526	1,458,713
1930	284,589	552,068	(267,479)
1931	(298,056)	571,538	(869,594)
1932**	(1,998,238)	529,478	(2,527,716)
1933**	(1,208,306)	516,419	(1,724,725)
1934**	(124,302)	530,673	(654,975)
1935	91,863	544,533	(452,670)
1936	675,930	563,716	112,214
1937	1,618,429	576,420	1,042,009
1930–1935	(3,252,450)	3,244,709	(6,497,159)

* Final figures other than 1937 as corrected in Treasurer's Report for subsequent year.

** No dividends from September, 1931 to February, 1935.

[fol. 6080] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-75(1)

GENERAL FIRE EXTINGUISHER CO.

Report of the Treasurer to the Board of Directors
For Twelve Months Ended December 31, 1928

[fol. 6081] Thirty-Sixth Annual Report to the Directors of the General Fire Extinguisher Co.

To the Directors:

The Treasurer submits herewith the Annual Report of the business of the General Fire Extinguisher Company and its subsidiary companies for the twelve months ended December 31, 1928.

The Report comprehends the following:

Page

2. Consolidated Income Account, Parent Company, U. S. Subsidiaries and Canadian Companies.
3. Consolidated Surplus Account, Parent Company and Subsidiary Companies.
4. Consolidated Balance Sheet, Parent Company and its United States Subsidiary Companies.
5. Income Account, General Fire Extinguisher Company.
6. Other Income, General Fire Extinguisher Company.
7. Stocks, Bonds and Investments, General Fire Extinguisher Company.
8. Income Account, Grinnell Company of Canada, Ltd.
9. Income Account, Canadian Sprinkler Equipt. Co., Ltd.
10. Income Account, Ontario Malleable Iron Co.
11. Consolidated Balance Sheet, Grinnell Company of Canada, Ltd., and its Subsidiaries.
12. Income Account, Grinnell Company of the Pacific.
13. Income Account, American Moistening Company.
14. Income Account, United States Construction Company, Inc.
15. Income Account, Grinnell Company, Inc.
16. Review of Business.

Respectfully submitted, L. W. Jones, Treasurer.

Providence, R. I., February 21, 1929.

[fol. 6082] General Fire Extinguisher Company and Subsidiary Companies

Consolidated Income Account
For Twelve Months Ended December 31, 1928 and 1927

	1928	1927
Earnings:		
General Fire Extinguisher Company	$1,472,573.55	$1,143,270.8
Grinnell Company of the Pacific	118,114.06	178,486.7
American Moistening Company	126,874.22	120,775.2
U.S. Construction Company, Inc.	47,532.11	57,562.8
Grinnell Company, Inc.	2,672.58	7,651.5
Total Earnings	$1,767,766.52	$1,507,746.8
Reserve for Federal Taxes	192,841.97	196,091.8
Net Profit before Dividends	$1,574,924.55	$1,311,654.9
Preferred Dividends Apr. 1st, July 1st, Oct. 1st, and Jan. 1st	97,500.00	97,500.0
Available for Surplus	$1,477,424.55	$1,214,154.9

Grinnell Company of Canada, Ltd. And Subsidiaries

Earnings:		
Grinnell Company of Canada, Ltd.	$219,764.05	$265,646.5
Canadian Sprinkler Equipment Company, Ltd.	3,997.65	9,655.9
Ontario Malleable Iron Co.	48,944.15	.0
Total Earnings	$272,705.85	$275,302.3
Reserve for Dominion Taxes	19,656.46	25,466.2
Available for Surplus	$253,049.39	$249,836.1

Of the Ontario Malleable Iron net profit for year after taxes of $45,188.62, we purchased $39,746.8 and $5,441.79 has been earned since acquisition November 1st.

[fol. 6083]

Consolidated Surplus

General Fire Extinguisher Company and Subsidiary Companies

December 31, 1928 and 1927

	1928		1927	
Consolidated Surplus January 1st		$3,325,270.04		$2,676,782.40
Less: Sinking Fund	$121,415.50		$105,962.48	
Common Stock Dividend March 1st	360,000.00		270,000.00	
U. S. Construction Co. Income Tax Adjustment	7,771.00		.00	
		489,186.50		375,962.48
		$2,836,083.54		$2,300,819.92
Plus: 1927 Additional Compensation Reserve	$30,866.78		.00	
1927 Additional Compensation Reserve American Moistening Co.	470.00		.00	
Adjustment Reserve for Contingencies	8,858.04		.00	
Pacific Co. and American Moistening Co. Income Tax Adjustment	.00		$295.13	
Federal Tax Reserves Closed Out	68,719.57		350,000.00	
		108,914.39		350,295.13
		$2,944,997.93		$2,651,115.05
Earnings Current Year:				
General Fire Extinguisher Company	$1,472,573.55		$1,143,270.06	
Grinnell Company of the Pacific	118,114.06		178,486.76	
American Moistening Company	126,874.22		120,775.20	
United States Construction Company, Inc.	47,532.11		57,562.86	
Grinnell Company, Inc.	2,672.58		7,651.93	
	$1,767,766.52		$1,507,746.81	
Less: Federal Taxes	192,841.97		196,091.82	
		1,574,924.55		1,311,654.99
		$4,519,922.48		$3,962,770.04
Less: Preferred Stock Dividend April 1st	$24,450.00		$24,450.00	
Preferred Stock Dividend July 1st	24,300.00		24,300.00	
Preferred Stock Dividend October 1st	24,450.00		24,450.00	
Preferred Stock Dividend January 1st	24,300.00		24,300.00	
Common Stock Dividend June 1st	180,000.00		180,000.00	
Common Stock Dividend September 1st	180,000.00		180,000.00	
Common Stock Dividend December 1st	180,000.00		180,000.00	
		637,500.00		637,500.00
		$3,882,422.48		$3,325,270.04

[fols. 6084-6085]

Consolidated Balance Sheet

December 31, 1928

General Fire Extinguisher Company and U. S. Subsidiary Companies

	Consolidated Totals	Gen. Fire Ext. Co.	Grinnell Co. of Pacific	American Moistening Co.	United States Constr. Co.	Grinnell Co. Inc.
Current Assets:						
Cash	$964,638.06	$839,427.88	$111,068.66	$4,388.27	$8,921.00	$832.25
Accounts Receivable	2,841,858.54	2,232,748.16	345,098.94	175,530.57	88,480.87	.00
Bills Receivable	264,067.94	203,572.02	40,828.69	3,831.23	15,836.00	.00
Contracts in Process	2,466,229.35	1,389,095.14	127,140.42	.00	949,993.79	.00
Inventories carried by Parent Company	3,536,745.53	3,536,745.53	.00	.00	.00	.00
Inventories carried by Subsidiary Company	802,122.53	.00	802,122.53	.00	.00	.00
Inventories in Transit	.00	.00	.00	.00	.00	.00
Investments Liquid	413,466.75	406,218.75	7,248.00	.00	.00	.00
Inter-Company Accounts (A)	.00	1,328,533.24	.00	137,084.31	.00	123,781.37
	$11,289,128.70	$9,936,340.72	$1,433,507.24	$320,834.38	$1,063,231.66	$124,613.62
Less: Cash Received on Contracts	820,256.54	711,750.42	100,008.12	.00	8,498.00	.00
	$10,468,872.16	$9,224,590.30	$1,333,499.12	$320,834.38	$1,054,733.66	$124,613.62
Property Accounts:						
Real Estate and Buildings	$3,798,019.73	$3,259,785.04	$538,234.69	.00	.00	.00
Operating Equipment	$3,786,514.91	$3,467,768.12	$231,048.45	$39,907.18	$2,590.22	$45,200.94
Operating Equipment (New)	34,237.10	34,237.10	.00	.00	.00	.00
	$7,618,771.74	$6,761,790.26	$769,283.14	$39,907.18	2,590.22	$45,200.94
Less: Depreciation	3,395,170.39	3,191,179.42	153,297.69	24,025.21	.00	26,668.07
	$4,223,601.35	$3,570,610.84	$615,985.45	$15,881.97	$2,590.22	$18,532.87
*Deferred Assets	62,109.83	56,674.61	4,415.79	1,019.43	.00	.00
Investments:						
U. S. Subsidiaries (B&C)	.00	$993,251.76	.00	.00	.00	.00
Grinnell Co. of Canada, Ltd.	$862,828.72	862,828.72	.00	.00	.00	.00
Miscellaneous	165,884.00	162,219.00	.00	3,665.00	.00	.00
Patents	21,874.31	14,163.70	.00	7,710.61	.00	.00
Good Will	1,000,000.00	1,000,000.00	.00	.00	.00	.00
	$16,805,170.37	$15,884,338.93	$1,953,900.36	$349,111.39	$1,057,323.88	$143,146.49

Capital and Liabilities

Liabilities, Current:						
Accounts Payable	$497,071.60	$419,837.63	$74,644.12	$1,247.11	$1,342.74	.00
Grinnell Co. of Canada, Ltd.	68,158.96	68,158.96	.00	.00	.00	.00
Inter-Company Accounts (A)	.00	260,865.68	709,042.25	.00	619,490.99	.00
Preferred Stock Dividend No. 16	24,300.00	24,300.00	.00	.00	.00	.00
Reserves:						
Federal Taxes	203,242.12	159,730.78	14,173.09	23,633.80	5,703.85	.00
Local and State Taxes	39,424.83	39,424.83	.00	.00	.00	.00
Other	1,277,535.12	1,248,911.06	8,298.49	16,490.49	3,835.08	.00
Sinking Fund	313,015.26	313,015.26	.00	.00	.00	.00
Preferred Stock	1,500,000.00	1,500,000.00	.00	.00	.00	.00
Common Stock (B)	9,000,000.00	9,000,000.00	10,000.00	250,000.00	100,000.00	100,000.00
Surplus (C)	3,882,422.48	2,850,094.73	1,137,741.81	57,739.99	326,951.22	43,146.49
	$16,805,170.37	$15,884,338.93	$1,953,900.36	$349,111.39	$1,057,323.88	$143,146.49

(A) Inter-Company Transactions Eliminated in "Consolidated Totals" $460,000.00
(B) Capital of Subsidiaries Eliminated in "Consolidated Totals" 533,251.76
(C) Surplus of Subsidiaries Eliminated in "Consolidated Totals" 993,251.76

(B&C) Investment in Subsidiaries Eliminated in "Consolidated Totals"

*Catalogs, Proctor and Schwarts Account (Sale of Dryer Business) Prepaid Insurance and Advanced Expenses.

[fol. 6086]

Comparative Report of Business
For Twelve Months Ended December 31, 1928 and 1927

	1928		1927	
New Business Booked During Twelve Months Period				
Grinnell Company, Inc.	$8,533,183.03		$8,070,968.67	
Grinnell Company of Canada, Ltd.	619,202.14		542,874.52	
Grinnell Company of the Pacific	529,637.64		482,876.48	
American Moistening Company	501,042.10		823,760.21	
		$10,183,064.91		$9,920,479.88
Contracts on Hand and Uncompleted				
Grinnell Company, Inc.	$3,687,807.72		$3,347,014.77	
Grinnell Company of Canada, Ltd.	347,416.02		194,971.39	
Grinnell Company of the Pacific	232,687.92		82,917.40	
American Moistening Company	169,571.00		323,289.97	
		$4,437,482.66		$3,948,193.53
Finished Business for Twelve Months				
Contracts and Day Work:				
Grinnell Company, Inc.	$9,848,860.10		$8,614,117.87	
Grinnell Company of Canada, Ltd.	616,692.97		763,867.01	
Grinnell Company of the Pacific	420,682.50		735,095.56	
American Moistening Company	671,156.24		640,958.09	
		$11,557,391.81		$10,754,038.53
Sales:				
Grinnell Company, Inc.	$7,445,983.59		$6,886,364.44	
Grinnell Company of Canada, Ltd.	1,521,178.74		1,316,949.78	
Grinnell Company of the Pacific	3,144,162.00		3,660,077.01	
American Moistening Company	174,571.91		197,356.57	
		12,285,896.24		12,060,747.80
		475,408.79		459,917.44
Supervisory Rentals		95,781.27		97,689.84
Inspection Receipts		$24,414,478.11		$23,372,393.61

[fol. 6087] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-75(2)

GENERAL FIRE EXTINGUISHER CO.

Report of the Treasurer to the Board of Directors
For Twelve Months Ended December 31, 1929

[fol. 6088] Thirty-Seventh Annual Report to the Directors of the General Fire Extinguisher Co.

To The Directors:

The Treasurer submits herewith the Annual Report of the business of the General Fire Extinguisher Company and its subsidiary companies for the twelve months ended December 31, 1929:

The Report comprehends the following:

Page

2. Consolidated Income Account, Parent Company, U. S. Subsidiaries and Canadian Companies.
3. Consolidated Surplus Account, Parent Company and Subsidiary Companies.
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6. Other Income, General Fire Extinguisher Company.
7. Stocks, Bonds and Investments, General Fire Extinguisher Company.
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9. Income Account, Canadian Sprinkler Equipt. Co., Ltd.
10. Income Account, Ontario Malleable Iron Co.
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13. Income Account, American Moistening Company.
14. Income Account, United States Construction Company, Inc.
15. Income Account, Grinnell Company, Inc.
16. Review of Business.

Respectfully submitted, L. W. Jones, Treasurer.

Providence, R. I., February 19, 1930.

[fol. 6089] General Fire Extinguisher Company and Subsidiary Companies

Consolidated Income Account
For Twelve Months Ended December 31, 1929 and 1928

	1929	1928
Earnings:		
General Fire Extinguisher Company	$1,537,229.82	$1,472,573.55
Grinnell Company of the Pacific	198,723.38	118,114.00
American Moistening Company	168,746.84	126,874.20
U. S. Construction Co., Inc.	67,709.75	47,532.11
Grinnell Company, Inc.	7,829.00	2,672.58
Total Earnings	$1,980,238.79	$1,767,766.52
Reserve for Federal Taxes	218,615.07	192,841.97
	$1,761,623.72	$1,574,924.55
Preferred Dividends April 1 and July 1	24,450.00	97,500.00
Available for Surplus	$1,737,173.72	$1,477,424.55

Grinnell Company of Canada, Ltd. and Subsidiary Companies

Earnings:		
Grinnell Company of Canada, Ltd.	$471,780.27	$219,764.05
Canadian Sprinkler Equipment Company, Ltd.	4,115.27	3,997.65
Ontario Malleable Iron Company, Ltd.	26,369.83	48,944.15
Total Earnings	$502,265.37	$272,705.85
Reserve for Dominion Taxes	40,021.23	19,656.46
Available for Surplus	$462,244.14	$253,049.39

[fol. 6090]

Consolidated Surplus

General Fire Extinguisher Company and Subsidiary Companies

December 31, 1929 and 1928

	1929		1928	
Consolidated Surplus, January 1		$3,882,422.48		$3,325,270.04
Less: Sinking Fund	$147,742.45		$121,415.50	
Common Stock Dividend March 1	450,000.00		360,000.00	
		597,742.45		481,415.50
		$3,284,680.03		$2,843,854.54
Plus: Adjustment 1927 Addt'l Compensation Reserve	.00		$30,866.78	
Adjustment 1927 Add'tl Compensation Reserve, American Moistening Co.	.00		470.00	
Adjustment Reserve for Contingencies	3,860.00		8,858.04	
Adjustment Federal Tax Reserves	1,662.66		60,948.57	
Unused Portion of Sinking Fund	348,257.71		.00	
		353,780.37		101,143.39
		$3,638,460.40		$2,944,997.93
Earnings Current Year:				
General Fire Extinguisher Company	$1,537,229.82		$1,472,573.55	
Grinnell Company of the Pacific	198,723.38		118,114.06	
American Moistening Company	168,746.84		126,874.22	
United States Construction Company, Inc.	67,709.75		47,532.11	
Grinnell Company, Inc.	7,829.00		2,672.58	
	$1,980,238.79		$1,767,766.52	
Less: Federal Taxes	218,615.07		192,841.97	
		1,761,623.72		$1,574,924.55
		$5,400,084.12		$4,519,922.48
Less: Preferred Stock Dividend April 1	$24,450.00		$24,450.00	
Preferred Stock Dividend July 1	.00		24,300.00	
Preferred Stock Dividend October 1	.00		24,450.00	
Preferred Stock Dividend January 1	.00		24,300.00	
Common Stock Dividend June 1	249,681.50		180,000.00	
Common Stock Dividend September 1	249,931.50		180,000.00	
Common Stock Dividend December 1	249,931.50		180,000.00	
		773,994.50		637,500.00
		$4,626,089.62		$3,882,422.48

[fols. 6091-6092]

Consolidated Balance Sheet

December 31, 1929

General Fire Extinguisher Company and U. S. Subsidiary Companies

	Consolidated Totals	Gen. Fire Ext. Co.	Grinnell Co. of Pacific	American Moistening Co.	United States Constr. Co.	Grinnell Co. Inc.
Current Assets:						
Cash	$1,053,691.19	$753,698.92	$264,046.90	$13,179.67	$20,609.33	$2,156.37
Accounts Receivable	2,863,437.66	2,228,669.96	396,823.45	158,637.59	79,306.66	.00
Bills Receivable	275,381.26	228,439.69	22,804.75	4,327.11	19,809.71	.00
Bills Receivable Special	305,000.00	305,000.00	.00	.00	.00	.00
Contracts in Process	2,708,449.51	1,517,218.23	230,136.53	.00	961,094.75	.00
Inventories carried by Parent Company	4,047,329.78	4,047,329.78	.00	.00	.00	.00
Inventories carried by Subsidiary Company	810,239.40	.00	810,239.40	.00	.00	.00
Inventories in Transit	10,941.63	10,941.63	.00	.00	.00	.00
Investments, Liquid	214,018.00	206,500.00	7,518.00	.00	.00	.00
Inter-Company Accounts (A)	.00	1,445,502.22	.00	298,249.34	.00	129,153.58
	$12,288,488.43	$10,743,300.43	$1,731,569.03	$474,393.71	$1,080,820.45	$131,309.95
Less: Cash Received on Contracts	1,010,420.30	923,250.05	85,643.25	.00	1,527.00	.00
	$11,278,068.13	$9,820,050.38	$1,645,925.78	$474,393.71	$1,079,293.45	$131,309.95
Property Accounts:						
Real Estate and Buildings	$4,096,166.95	$3,500,056.81	$596,110.14	.00	.00	.00
Operating Equipment	4,070,037.31	3,724,488.44	248,400.73	$45,308.44	$2,383.31	$49,456.39
Operating Equipment New	62,065.21	62,065.21	.00	.00	.00	.00
	$8,228,269.47	$7,286,610.46	$844,510.87	$45,308.44	$2,383.31	$49,456.39
Less: Depreciation	3,779,747.44	3,537,371.60	185,714.01	26,744.98	.00	29,916.85
	$4,448,522.03	$3,749,238.86	$658,796.86	$18,563.46	$2,383.31	$19,539.54
*Deferred Assets	16,981.87	13,094.07	2,218.05	1,543.75	.00	126.00
Investments						
U. S. Subsidiaries (B&C)	.00	993,251.76	.00	.00	.00	.00
Grinnell Co. of Canada, Ltd.	862,828.72	862,328.72	.00	.00	.00	.00
Miscellaneous	142,595.50	135,929.50	.00	6,666.00	.00	.00
Subscription	3,767.50	3,767.50	.00	.00	.00	.00
Patents	11,179.21	5,868.60	.00	5,310.61	.00	.00
Good Will	1,000,000.00	1,000,000.00	.00	.00	.00	.00
	$17,763,942.96	$16,584,029.39	$2,306,940.69	$506,477.53	$1,081,676.76	$150,975.49

Capital And Liabilities

Liabilities Current:						
Accounts Payable	$466,614.51	$422,826.43	$42,393.94	$612.19	$781.95	.00
Notes Payable	250,000.00	250,000.00	.00	.00	.00	.00
Grinnell Co. of Canada, Ltd.	415,962.54	415,962.54	.00	.00	.00	.00
Inter-Company Accounts (A)	.00	427,402.92	877,254.06	.00	568,248.16	.00
Reserves:						
Federal Taxes	218,728.71	169,095.28	21,919.58	18,615.78	9,098.07	.00
Local and State Taxes	49,423.69	47,148.25	2,275.44	.00	.00	.00
Other	1,362,123.89	1,288,590.17	38,492.05	17,055.99	17,985.68	.00
Common Stock (B)	10,375,000.00	10,375,000.00	10,000.00	250,000.00	100,000.00	100,000.00
Surplus (C)	4,626,089.62	3,188,003.80	1,314,605.62	220,193.57	385,562.90	50,975.49
	$17,763,942.96	$16,584,029.39	$2,306,940.69	$506,477.53	$1,081,676.76	$150,975.49

(A) Inter-Company Transactions Eliminated in "Consolidated Totals"

(B) Capital of Subsidiaries Eliminated in "Consolidated Totals" $460,000.00

(C) Surplus of Subsidiaries Eliminated in "Consolidated Totals" 533,251.76

$993,251.76

(B&C) Investment in Subsidiaries Eliminated in "Consolidated Totals"

*Proctor and Schwartz Account (Sale of Dryer Business) Prepaid Insurance and Advanced Expenses.

[fol. 6003]

Comparative Report of Business
For Twelve Months Ended December 31, 1929 and 1928

	1929		1928	
New Business Booked During Twelve Months Period				
Grinnell Company, Inc.	$8,420,991.47		$8,533,183.03	
Grinnell Company of Canada, Ltd.	682,438.43		619,202.14	
Grinnell Company of the Pacific	1,050,122.18		529,637.64	
American Moistening Company	609,305.15		501,042.10	
		$10,762,857.23		$10,183,964.91
Contracts on Hand and Uncompleted				
Grinnell Company, Inc.	$3,070,210.56		$3,687,807.72	
Grinnell Company of Canada, Ltd.	134,584.92		347,416.02	
Grinnell Co. of the Pacific	451,645.39		232,687.92	
American Moistening Company	85,348.50		169,571.00	
		$3,741,789.37		$4,437,482.66
Finished Business for Twelve Months				
Contracts and Day Work:				
Grinnell Company, Inc.	$10,359,627.38		$9,848,860.10	
Grinnell Company of Canada, Ltd.	981,182.14		616,692.97	
Grinnell Company of the Pacific	789,666.78		420,682.50	
American Moistening Company	690,577.88		671,156.24	
		$12,821,054.18		$11,557,391.81
Sales:				
Grinnell Company, Inc.	$8,464,462.11		$7,445,983.59	
Grinnell Company of Canada, Ltd.	2,260,519.75		1,521,178.74	
Grinnell Company of the Pacific	3,050,543.99		3,144,162.00	
American Moistening Company	181,842.97		174,571.91	
		$13,957,368.82		$12,285,896.24
Supervisory Rentals		521,525.95		475,408.79
Inspection Receipts		101,119.31		95,781.27
Total Finished Business		$27,401,068.26		$24,414,478.11

[fol. 6094] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-75(3)

GENERAL FIRE EXTINGUISHER CO.

Report of the Treasurer to the Board of Directors
For Twelve Months Ended December 31, 1930

[fol. 6095] Thirty-Eighth Annual Report to the Directors of the General Fire Extinguisher Co.

To The Directors:

The Treasurer submits herewith the Annual Report of the business of the General Fire Extinguisher Company and its subsidiary companies for the twelve months ended December 31, 1930:

The Report comprehends the following:

Page

2. Consolidated Income Account, Parent Company, U. S. Subsidiaries and Canadian Companies.
3. Consolidated Surplus Account, Parent Company and Subsidiary Companies.
4. Consolidated Balance Sheet, Parent Company and its United States Subsidiary Companies.
5. Income Account, General Fire Extinguisher Company.
6. Other Income, General Fire Extinguisher Company.
7. Stocks, Bonds and Investments, General Fire Extinguisher Company.
8. Income Account, Grinnell Company of Canada, Ltd.
9. Income Account, Canadian Sprinkler Equipt. Co., Ltd.
10. Income Account, Ontario Malleable Iron Co., Ltd.
11. Consolidated Balance Sheet, Grinnell Company of Canada, Ltd., and its Subsidiaries.
12. Income Account, Grinnell Company of the Pacific.
13. Income Account, American Moistening Company.
14. Income Account, United States Construction Company, Inc.
15. Income Account, Grinnell Company, Inc.
16. Review of Business.

Respectfully submitted, L. W. Jones, Treasurer.

Providence, R. I., February 19, 1931.

[fol. 6096] Consolidated Income Account

General Fire Extinguisher Company and Subsidiary Companies
For Twelve Months Ended December 31, 1930 and 1929

	1930	1929
Earnings:		
General Fire Extinguisher Company	$91,309.40	$1,537,2
Grinnell Company of the Pacific	2,371.92	198,7
American Moistening Company	53,859.89	168,7
U.S. Construction Company, Inc.	130,126.19	67,7
Grinnell Company, Inc.	6,921.22	7,5
Total Earnings	$284,588.62	$1,980,2
Reserve for Federal Taxes	38,751.89	218,0
Net Profit Before Dividends	$245,836.73	$1,761,2
Preferred Dividends April 1 and July 1	.00	24,4
Available for Surplus	$245,836.73	$1,737,7

Grinnell Company of Canada, Ltd., and Subsidiary Companies

Earnings:			
Grinnell Company of Canada, Ltd.		$240,505.10	$471,7
Canadian Sprinkler Equipment Company, Ltd.		5,708.18	4,1
Ontario Malleable Iron Company, Ltd.	L	36,548.10	26,3
Total Earnings		$209,665.18	$502,2
Reserve for Dominion Taxes		19,537.06	40,0
Available for Surplus		$190,128.12	$462,2

[fol. 6097]

Consolidated Surplus

General Fire Extinguisher Company and Subsidiary Companies

December 31, 1930 and 1929

	1930		1929	
Consolidated Surplus January 1		$4,626,089.62		$3,882,422.48
Less: Sinking Fund	.00		$147,742.45	
Common Stock Dividend March 1st	$500,000.00		450,000.00	
Pacific Co. Adjustment of 1929 Earnings	786.48		.00	
Adjustment Federal Tax Reserves	13,858.14		.00	
		514,644.62		597,742.45
		$4,111,445.00		$3,284,680.03
Plus: Adjustment Reserve for Contingencies			$3,860.00	
Adjustment Federal Tax Reserves			1,662.66	
Unused Portion of Sinking Fund			348,257.71	
				353,780.37
				$3,638,460.40
Earnings Current Year:				
General Fire Extinguisher Company	$91,309.40		$1,537,229.82	
Grinnell Company of the Pacific	2,371.92		198,723.38	
American Moistening Company	53,859.89		168,746.84	
United States Construction Company, Inc.	130,126.19		67,709.75	
Grinnell Company, Inc.	6,921.22		7,829.00	
	$284,588.62		$1,980,238.79	
Less: Federal Taxes	38,751.89		218,615.07	
		245,836.73		1,761,623.72
		$4,357,281.73		$5,400,084.12
Less: Preferred Stock Dividend April 1	.00		$24,450.00	
Common Stock Dividend June 1	$250,000.00		249,681.50	
Common Stock Dividend September 1	250,000.00		249,931.50	
Common Stock Dividend December 1	100,000.00		249,931.50	
		600,000.00		773,994.50
		$3,757,281.73		$4,626,089.62

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[fols. 6098-6099]

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Consolidated Balance Sheet

December 31, 1930

Grinnell Company of Canada And Subsidiary Companies

		1930		1929	
Consolidated Surplus January 1			$2,626,352.83		$2,162,939.10
Less: Adjustment Prior Year Income Tax			14.40		.00
			$2,626,338.43		$2,162,939.10
Plus: Adjustment Prior Year Income Tax			.00		1,169.59
Earnings Current Year:					
Grinnell Company of Canada, Ltd.		$240,505.10		$471,780.27	
Ontario Malleable Iron Company, Ltd.	L	36,548.10		26,369.83	
Canadian Sprinkler Equipment Company, Ltd.		5,708.18		4,115.27	
		$209,665.18		$502,265.37	
Less: Dominion Income Tax		19,537.06		40,021.23	
			190,128.12		462,244.14
			$2,816,466.55		$2,626,352.83

[fols. 6098-6099]

Consolidated Balance Sheet

December 31, 1930

General Fire Extinguisher Company and U. S. Subsidiary Companies

	Consolidated Totals	Gen. Fire Ext. Co.	Grinnell Co. of Pacific	American Moistening Co.	United States Constr. Co., Inc.	Grinnell Co. Inc.
Current Assets:						
Cash	$971,609.88	$812,107.85	$146,447.15	$8,533.41	$3,369.06	$1,152.41
Accounts Receivable	1,882,548.55	1,381,368.82	368,792.07	83,734.13	48,653.53	.00
Bills Receivable	534,367.17	487,815.71	21,720.15	5,833.34	18,997.97	.00
Contracts in Process	1,504,208.27	599,825.18	177,648.38	.00	726,734.71	.00
Inventories Carried by Parent Company	3,773,838.41	3,773,838.41	.00	.00	.00	.00
Inventories in Transit	23,737.61	23,737.61	.00	.00	.00	.00
Investments, Liquid	7,250.00	.00	7,250.00	.00	.00	.00
Inter-Company Accounts (A)	.00	643,726.44	.00	403,603.51	.00	137,245.37
	$9,256,308.24	$7,722,420.02	$1,280,606.10	$501,704.39	$797,755.27	$138,397.78
Less: Cash Received on Contracts	552,121.37	405,978.11	144,327.01	.00	2,716.25	.00
	$8,704,186.87	$7,317,341.91	$1,136,279.09	$501,704.39	$795,039.02	$138,397.78
Property Accounts:						
Real Estate and Buildings	$4,570,451.19	$3,879,729.59	$690,721.60	.00	.00	.00
Operating Equipment	4,419,734.92	4,044,810.48	273,949.40	$47,494.61	$2,383.31	$51,097.12
Operating Equipment (New)	62,840.56	62,840.56	.00	.00	.00	.00
	$9,053,026.67	$7,987,380.63	$964,671.00	$47,494.61	$2,383.31	$51,097.12
Less: Depreciation	4,145,623.71	3,867,213.19	214,640.07	32,060.26	.00	31,710.19
	$4,907,402.96	$4,120,167.44	$750,030.93	$15,434.35	$2,383.31	$19,386.93
*Deferred Assets	43,473.66	38,613.51	3,746.65	1,001.50	.00	112.00
Investments:						
U. S. Subsidiaries (B&C)	.00	993,251.76	.00	.00	.00	.00
Grinnell Co. of Canada, Ltd.	862,828.72	862,828.72	.00	.00	.00	.00
Miscellaneous	644,828.56	638,162.56	.00	6,666.00	.00	.00
Patents	8,172.35	5,261.74	.00	2,910.61	.00	.00
Good Will	1,000,000.00	1,000,000.00	.00	.00	.00	.00
	$16,170,893.12	$14,975,627.64	$1,890,056.67	$527,716.85	$797,422.33	$157,896.71

Capital and Liabilities

Liabilities, Current:						
Accounts Payable	$300,888.94	$228,104.63	$71,870.70	$466.80	$446.81	.00
Grinnell Co. of Canada, Ltd.	899,916.46	899,916.46	.00	.00	.00	.00
Inter-Company Accounts (A)	.00	540,848.88	480,979.68	.00	162,746.76	.00
Reserves:						
Federal Taxes	54,175.04	29,078.65	970.24	6,861.02	17,265.13	.00
Local and State Taxes	49,467.09	49,467.09	.00	.00	.00	.00
Other	734,163.86	703,176.00	10,955.21	3,142.97	16,889.68	.00
Common Stock (B)	10,375,000.00	10,375,000.00	10,000.00	250,000.00	100,000.00	100,000.00
Surplus (C)	3,757,281.73	2,150,035.93	1,315,280.84	267,246.06	500,073.95	57,896.71
	$16,170,893.12	$14,975,627.64	$1,890,056.67	$527,716.85	$797,422.33	$157,896.71

(A) Inter-Company Transactions Eliminated in "Consolidated Totals"
(B) Capital of Subsidiaries Eliminated in "Consolidated Totals" $460,000.00
(C) Surplus of Subsidiaries Eliminated in "Consolidated Totals" 533,251.76
(B&C) Investment in Subsidiaries Eliminated in "Consolidated Totals" $993,251.76

*Prepaid Taxes and Insurance and Advanced Expenses

In 1931 Res. for Invty., loss and P. P. Adj't. % are deducted from Inventory, the latter shown net

[fol. 6100]

Comparative Report of Business
For Twelve Months Ended December 31, 1930 and 1929

	1930		1929	
New Business Booked During Twelve Months Period				
Grinnell Company, Inc.	$4,759,304.93		$8,420,991.47	
Grinnell Company of Canada, Ltd.	424,460.82		682,438.43	
Grinnell Company of the Pacific	561,382.37		1,050,122.18	
American Moistening Company	243,574.60		609,305.15	
		$5,988,722.72		$10,762,857.23
Contracts on Hand and Uncompleted				
Grinnell Company, Inc.	$1,292,151.05		$3,070,210.56	
Grinnell Company of Canada, Ltd.	32,212.47		134,584.92	
Grinnell Company of the Pacific	294,918.85		530,358.45	
American Moistening Company	30,790.50		85,348.50	
		$1,650,072.87		$3,820,502.43
Finished Business For Twelve Months				
Contracts and Day Work:				
Grinnell Company, Inc.	$6,912,612.21		$10,359,627.38	
Grinnell Company of Canada, Ltd.	547,130.68		981,182.14	
Grinnell Company of the Pacific	820,241.76		789,666.78	
American Moistening Company	340,690.86		690,577.88	
		$8,620,675.51		$12,821,054.18
Supply Sales:				
Grinnell Company, Inc.	$6,019,855.40		$8,464,462.11	
Grinnell Company of Canada, Ltd.	1,845,625.88		2,260,519.75	
Ontario Malleable Iron Company, Ltd.	330,723.78		502,631.61	
Grinnell Company of the Pacific	1,973,885.92		3,050,543.99	
American Moistening Company	119,524.35		181,842.97	
		$10,289,615.33		$14,460,000.43
Supervisory Rentals		552,067.61		521,525.95
Inspection Receipts		87,737.28		101,119.31
Total Finished Business		$19,550,095.73		$27,903,699.87

6,912,612.21
6,019,855.40
552,067.61
87,737.28
13,572,272.50*

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[fol. 6101] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-75(4)

GENERAL FIRE EXTINGUISHER CO.

Report of the Treasurer to the Board of Directors
For Twelve Months Ended December 31, 1931

[fol. 6102] Thirty-Ninth Annual Report to the Directors of the General Fire Extinguisher Co.

To the Directors:

The Treasurer submits herewith the Annual Report of the business of the General Fire Extinguisher Company and its subsidiary companies for the twelve months ended December 31, 1931:

The Report comprehends the following:

Page

2. Consolidated Income Account, Parent Company, U. S. Subsidiaries and Canadian Companies.
3. Consolidated Surplus Account, Parent Company and Subsidiary Companies.
4. Income Account, General Fire Extinguisher Company.
5. Other Income, General Fire Extinguisher Company.
6. Stocks, Bonds and Investments, General Fire Extinguisher Company.
7. Income Account, Grinnell Company, Inc.
8. 9. Consolidated Balance Sheet, Parent Company and its United States Subsidiary Companies.
10. Income Account, Grinnell Company of Canada, Ltd.
11. Income Account, Ontario Malleable Iron Co., Ltd.
12. Consolidated Balance Sheet, Grinnell Company of Canada, Ltd., and its Subsidiaries.
13. Income Account, Grinnell Company of the Pacific.
14. Income Account, American Moistening Company.
15. Income Account, United States Construction Company, Inc.
16. Review of Business.

Respectfully submitted, L. W. Jones, Treasurer.

Providence, R. I., February 17, 1932.

[fol. 6103] Consolidated Income Account

General Fire Extinguisher Company and Subsidiary Companies
For Twelve Months Ended December 31, 1931 and 1930

		1931		1930
Earnings:				
General Fire Extinguisher Company	L	$284,071.86		$91,209.40
Grinnell Company of the Pacific	L	107,367.21		2,371.92
American Moistening Company	G	35,124.81		53,859.99
U.S. Construction Company, Inc.	G	50,429.29		130,126.19
Grinnell Company, Inc.	G	7,828.61		6,921.22
Total Earnings	L	$298,056.36		$284,588.62
Reserve for Federal Taxes		.00		38,751.89
Available for or Deduction from Surplus	L	$298,056.36		$245,836.73

Grinnell Company of Canada, Ltd. and Subsidiary Companies

Earnings:				
Grinnell Company of Canada, Ltd.	L	$54,573.49		$240,506.10
Canadian Sprinkler Equipment Company, Ltd.	G	13,892.23		5,708.18
Ontario Malleable Iron Company, Ltd.	L	57,860.86	L	36,548.10
Total Earnings		$98,542.12		$209,665.18
Reserve for Dominion Taxes		.00		19,537.06
Available for or Deduction from Surplus	L	$98,542.12		$190,128.12

[fols. 6104-6108]

Consolidated Surplus

General Fire Extinguisher Company and Subsidiary Companies

December 31, 1931 and 1930

		1931		1930	
Consolidated Surplus January 1st			$3,757,281.73		$4,626,089.62
Less: Common Stock Dividend, March 1st		$125,000.00		$500,000.00	
Pacific Co. Adjustment 1929 Earnings		.00		786.48	
Adjustment Federal Tax Reserves		.00		13,858.14	
			125,000.00		514,644.62
			$3,632,281.73		$4,111,445.00
Plus: Reserve for Contingencies			408,189.66		.00
			$4,040,471.39		$4,111,445.00
Earnings Current Year:					
General Fire Extinguisher Company	L	$284,071.86		$91,309.40	
Grinnell Company of the Pacific	L	107,367.21		2,371.92	
American Moistening Company	G	35,124.81		53,859.89	
U.S. Construction Company, Inc.	G	50,429.29		130,126.19	
Grinnell Company, Inc.	G	7,828.61		6,921.22	
	L	$298,056.36		$284,588.62	
Less: Federal Taxes		.00		38,751.89	
	L		298,056.36		245,836.73
			$3,742,415.03		$4,357,281.73
Less: Common Stock Dividend June 1st		$75,000.00		$250,000.00	
Common Stock Dividend September 1st		50,000.00		250,000.00	
Common Stock Dividend December 1st		.00		100,000.00	
			125,000.00		600,000.00
			$3,617,415.03		$3,757,281.73

Grinnell Company of Canada and Subsidiary Companies

		1931			1930	
Consolidated Surplus January 1st			$2,816,466.55			$2,626,352.83
Less: Transfer to General Fire Extinguisher Co.			1,000,000.00			.00
			$1,816,466.55			$2,626,352.83
Adjustment Prior Year Income Tax			40.39			14.40
			$1,816,506.94			$2,626,338.43
Earnings Current Year:						
Grinnell Company of Canada, Ltd.	L	$54,573.49			$240,505.10	
Ontario Malleable Iron Company, Ltd.	L	57,860.86		L	36,548.10	
Canadian Sprinkler Equipment Company, Ltd.	G	13,892.23			5,708.18	
	L	$98,542.12			$209,665.18	
Less: Dominion Income Tax		.00			19,537.06	
			98,542.12			190,128.02
			$1,717,964.82			$2,816,466.55

[fols. 6109-6112]

Consolidated Balance Sheet

December 31, 1931

General Fire Extinguisher Company and U. S. Subsidiary Companies

Line		Consolidated Totals	Gen. Fire Ext. Co.	Line	Grinnell Co. of Pacific	American Moistening Co.	United States Constr. Co., Inc.	Grinnell Co. Inc.
	Current Assets:							
1	Cash	$780,970.65	$676,864.70	1	$75,892.47	$17,554.23	$8,040.74	$2,618.51
2	Accounts Receivable	1,594,017.40	1,170,405.75	2	242,688.28	65,213.21	115,710.16	.00
3	Bills Receivable	275,430.92	212,211.33	3	19,991.84	4,688.10	38,539.65	.00
4	Contracts in Process	1,176,351.93	556,309.63	4	86,054.57	.00	533,987.73	.00
5	Inventories	3,734,234.53	3,305,249.54	5	428,984.99	.00	.00	.00
6	Investments, Liquid	7,250.00	.00	6	7,250.00	.00	.00	.00
7	Grinnell Co. of Canada, Ltd.	64,615.48	64,615.48	7	.00	.00	.00	.00
8	Inter- Company Accounts (A)	.00	225,623.58	8	.00	449,625.20	.00	146,193.74
9		$7,632,870.91	$6,211,280.01	9	$860,862.15	$537,080.74	$696,278.28	$148,812.25
10	Less: Cash Received on Contracts	252,670.86	175,906.79	10	72,100.07	.00	4,664.00	.00
11		$7,380,200.05	$6,035,373.22	11	$788,762.08	$537,080.74	$691,614.28	$148,812.25
	Property Accounts:							
12	Real Estate and Buildings	$4,508,126.57	$3,877,540.45	12	$630,586.12	.00	.00	.00
13	Operating Equipment	4,595,665.05	4,205,841.00	13	288,910.28	47,656.35	2,485.44	50,771.98
14	Operating Equipment (New)	35,730.97	35,730.97	14	.00	.00	.00	.00
15		$9,139,522.59	$8,119,112.42	15	$919,496.40	$47,656.35	$2,485.44	$50,771.98
16	Less: Depreciation	4,581,268.04	4,273,969.63	16	238,492.07	34,849.43	.00	33,956.91
17		$4,558,254.55	$3,845,142.79	17	$681,004.33	$12,806.92	2,485.44	$16,815.07
18	*Deferred Assets	29,767.49	24,278.67	18	4,898.80	492.02	.00	98.00
	Investments:							
19	U. S. Subsidiaries (B&C)	.00	993,251.76	19	.00	.00	.00	.00
20	Grinnell Co. of Canada, Ltd.	862,828.72	862,828.72	20	.00	.00	.00	.00
21	Miscellaneous	751,979.56	745,463.56	21	.00	6,516.00	.00	.00
22	Patents	4,965.49	4,454.88	22	.00	510.61	.00	.00
23	Good Will	1,000,000.00	1,000,000.00	23	.00	.00	.00	.00
24		$14,587,995.86	$13,510,793.60	24	$1,474,665.21	$557,406.29	$694,099.72	$165,725.32
			Capital and Liabilities					
	Liabilities Current:							
25	Accounts Payable	$222,442.78	$204,939.65	25	$16,353.43	$430.03	$719.67	.00
26	Inter-Company Accounts (A)	.00	595,818.94	26	222,587.74	.00	3,035.84	.00
	Reserves:							
27	Federal Taxes	12,361.33	9,620.57	27	692.93	307.86	1,649.97	.00
28	Local and State Taxes	58,808.76	55,708.12	28	3,100.64	.00	.00	.00
29	Other	301,967.96	245,552.59	29	14,016.84	4,207.53	38,191.00	.00
30	Common Stock	10,375,000.00	10,375,000.00	30	10,000.00	250,000.00	100,000.00	100,000.00
31	Surplus	3,617,415.03	2,024,153.73	31	1,207,913.63	302,370.87	550,503.24	65,725.32
32		$14,587,995.86	$13,510,793.60	32	$1,474,665.21	$557,406.29	$694,099.72	$165,725.32

(A) Inter-Company Transactions Eliminated in "Consolidated Totals"
(B) Capital of Subsidiaries Eliminated in "Consolidated Totals" $460,000.00
(C) Surplus of Subsidiaries Eliminated in "Consolidated Totals" 533,251.76
(B&C) Investment in Subsidiaries Eliminated in "Consolidated Totals" $993,251.76

*Prepaid Taxes and Insurance and Advanced Expenses

[fol. 6113]

Comparative Report of Business
For Twelve Months Ended December 31, 1931 and 1930

	1931		1930	
New Business Booked During Twelve Months Period				
Grinnell Company, Inc.	$3,734,300.97		$4,759,304.93	
Grinnell Company of Canada, Ltd.	211,319.63		424,460.82	
Grinnell Company of the Pacific	306,291.64		561,382.37	
American Moistening Company	243,673.60		243,574.60	
		$4,495,585.84		$5,988,722.72
Contracts on Hand and Uncompleted				
Grinnell Company, Inc.	$1,260,155.63		$1,292,151.05	
Grinnell Company of Canada, Ltd.	59,443.00		32,212.47	
Grinnell Company of the Pacific	118,877.50		294,918.85	
American Moistening Company	13,955.00		30,790.50	
		$1,452,431.13		$1,650,072.87
Finished Business for Twelve Months				
Contract and Day Work:				
Grinnell Company, Inc.	$3,901,829.40		$6,912,612.21	
Grinnell Company of Canada, Ltd.	227,596.76		547,130.68	
Grinnell Company of the Pacific	512,786.01		820,241.76	
American Moistening Company	224,918.32		340,690.86	
		$4,867,130.49		$8,620,675.51
Supply Sales:				
Grinnell Company, Inc.	$4,256,871.80		$6,019,855.40	
Grinnell Company of Canada, Ltd.	1,227,578.96		1,845,625.88	
Ontario Malleable Iron Company, Ltd	179,171.75		330,723.78	
Grinnell Company of the Pacific	1,279,606.41		1,973,885.92	
American Moistening Company	111,034.52		119,524.35	
		$7,054,263.44		$10,289,615.33
Supervisory Rentals		571,537.50		552,067.61
Inspection Receipts		77,472.89		87,737.28
		$12,570,404.32		$19,550,095.73

[fol. 6114] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-75(5)

GENERAL FIRE EXTINGUISHER CO.

Report of the Treasurer to the Board of Directors
For Twelve Months Ended December 31, 1932

[fols. 6115-6116] Fortieth Annual Report to the Directors of the General Fire Extinguisher Co.

To The Directors:

The Treasurer submits herewith the Annual Report of the business of the General Fire Extinguisher Company and its subsidiary companies for the twelve months ended December 31, 1932:

The Report comprehends the following:

Page

2 Consolidated Income Account, Parent Company, U. S. Subsidiaries and Canadian Companies.
3 Consolidated Surplus Account, Parent Company and Subsidiary Companies
4 Income Account, General Fire Extinguisher Company
5 Other Income, General Fire Extinguisher Company
6 Stocks, Bonds and Investments, General Fire Extinguisher Company
7 Income Account, Grinnell Company, Inc.
8 Income Account, Grinnell Company of the Pacific
9 Income Account, American Moistening Company
10,11 Consolidated Balance Sheet, Parent Company and its United States Subsidiary Companies
12 Income Account, Columbia Malleable Castings Corporation
13 Income Account, United States Construction Company, Inc.
14 Income Account, Grinnell Company of Canada, Ltd.
15 Income Account, Ontario Malleable Iron Co., Ltd.
16 Consolidated Balance Sheet, Grinnell Company of Canada, Ltd. and its Subsidiaries
17 Review of Business

Respectfully submitted, L. W. Jones, Treasurer.

Providence, R. I., February 23, 1933.

[fol. 6117] Consolidated Income Account

General Fire Extinguisher Company and Subsidiary Companies
For Twelve Months Ended December 31, 1932 and 1931

		1932		1931
Earnings or Losses After Taxes:				
General Fire Extinguisher Company	L	$1,037,835.14	L	$284,071.86
Grinnell Company of the Pacific	L	190,665.88	L	107,367.21
American Moistening Company	L	28,949.62	G	35,124.81
Columbia Malleable Castings Corp.	L	224,152.00		
U.S. Construction Company, Inc.	L	22,484.08	G	50,429.29
Grinnell Company, Inc.	G	8,348.98	G	7,828.61
Deduction from Surplus	L	$1,495,737.74	L	$298,056.36

Grinnell Company of Canada, Ltd. And Subsidiary Companies

Earnings or Losses:				
Grinnell Company of Canada, Ltd.	L	$115,617.49	L	$54,573.49
Canadian Sprinkler Equipment Company, Ltd.	G	12,397.41	G	13,892.23
Ontario Malleable Iron Company, Ltd.	L	59,991.02	L	57,860.86
	L	$163,211.10	L	$98,542.12

Consolidated Surplus

[fols. 6118-6120]

Consolidated Surplus

General Fire Extinguisher Company and Subsidiary Companies
December 31, 1932 and 1931

		1932			1931	
Consolidated Surplus, January 1st			$3,617,415.03			$3,757,281.73
Less: Common Stock Dividend March 1			.00			125,000.00
Dividend Grinnell Co., Inc.			50,000.00			.00
			$3,567,415.03			$3,632,281.73
Plus: Reserve for Contingencies			.00			408,189.66
			$3,567,415.03			$4,040,471.39
Losses Current Year:						
General Fire Extinguisher Company	L	$1,037,835.14		L	$284,071.86	
Grinnell Company of the Pacific	L	190,665.88		L	107,367.21	
American Moistening Company	L	28,949.62		G	35,124.81	
U.S. Construction Company, Inc.	L	22,484.08		G	50,429.29	
Columbia Malleable Castings Corp.	L	224,152.00				
Grinnell Company, Inc.	G	8,348.98		G	7,828.61	
		L	1,495,737.74		L	298,056.36
			$2,071,677.29			$3,742,415.03
Less: Common Stock Dividend June 1st		.00			$75,000.00	
Common Stock Dividend Sept. 1st		.00			50,000.00	
			.00			125,000.00
			$2,071,677.29			$3,617,415.03

Grinnell Company of Canada, Ltd. And Subsidiary Companies

Consolidated Surplus, January 1st			$1,717,964.82			$2,816,466.55
Less: Dividend Grinnell Co. of Canada, Ltd.		500,000.00			1,000,000.00	
Exchange Loss on Amount Due G.F.E. Co.		12,578.69				
Adjustment Prior Year Taxes		831.16			40.39	
			513,409.85			999,959.61
			$1,204,554.97			$1,816,506.94
Losses Current Year:						
Grinnell Company of Canada, Ltd.	L	$115,617.49		L	$54,573.49	
Canadian Sprinkler Equipment Co., Ltd.	G	12,397.41		G	13,892.23	
Ontario Malleable Iron Company, Ltd.	L	59,991.02		L	57,860.86	
		L	163,211.10		L	98,542.12
			$1,041,343.87			$1,717,964.82

[fols. 6121-6123]

Consolidated Balance Sheet

December 31, 1932

General Fire Extinguisher Company and U. S. Subsidiary Companies

Assets

Line		Consolidated Totals	General Fire Ext. Co.	Grinnell Co. of Pacific	Line	American Moist. Co.	Columbia Mall. Castings Corp.	United States Constr. Co., Inc.	Grinnell Co. Inc.
	Current Assets:								
1	Cash	$539,938.38	$424,583.40	$67,365.87	1	$20,348.79	$18,121.69	$6,559.87	$2,958.76
2	Accounts Receivable	1,142,183.33	904,026.02	113,933.91	2	19,002.94	9,240.45	95,980.01	
3	Notes and Acceptance Receivable	95,731.62	44,841.27	8,478.18	3	4,650.80	1,503.37	36,263.00	
4	Inventories and Contracts in Process	3,227,586.77	2,633,290.24	395,899.15	4		198,397.38		
5		$5,005,440.10	$4,006,740.93	$585,672.11	5	$44,002.53	$227,262.89	$138,802.88	$2,958.76
	Investments:								
6	Contract Installments not due	$267,831.69			6			$267,831.69	
7	Due from Canadian Subs. less Exchange	546,518.86	$546,518.86		7				
8	Investment in Canadian Cos.	862,828.72	862,828.72		8				
9	Stocks, Bonds and Other	176,095.09	162,330.09	$7,249.00	9	$6,516.00			
10	Investment in U. S. Subs.	.00	2,140,984.62	.00	10	.00			
11		$1,853,274.36	$3,712,662.29	$7,249.00	11	$6,516.00		$267,831.69	
12	Inter-Company Accounts	.00	631,937.79		12	465,335.58		221,211.89	106,044.33
	Fixed Assets:								
13	Land and Buildings	4,973,543.95	3,861,886.04	621,474.12	13		490,183.79		
14	Machinery and Operating Equipment	5,134,818.92	3,769,921.76	265,712.38	14	48,437.51	998,990.43	2,485.44	49,271.40
15		$10,108,362.87	$7,631,807.80	$887,186.50	15	$48,437.51	$1,489,174.22	$2,485.44	$49,271.40
16	Less: Depreciation Reserve	$5,210,032.74	4,525,531.62	250,801.54	16	39,099.33	360,316.06		34,284.19
17		$4,898,330.13	$3,106,276.18	$636,384.96	17	$9,338.18	$1,128,858.16	$2,485.44	$14,987.21
18	Patents	6,199.98	3,648.02		18	150.00	2,401.96		
19	Good Will	1,000,001.00	1,000,000.00		19		1.00		
	Deferred Items:								
20	Prepaid Expenses and Deferred Changes	59,641.23	45,026.78	3,499.04	20	1,548.26	9,483.15		84.00
21	Long Term and Mortgage Notes Rec.	231,812.00	231,812.00		21				
22	Sundry Accounts Receivable Suspense	67,033.29	54,437.78	12,245.03	22	175.44	175.04		
23		$358,486.52	$331,276.56	$15,744.07	23	$1,723.70	$9,658.19		$84.00
24	Total Assets	$13,121,732.09	$12,792,541.77	$1,245,050.14	24	$527,065.99	$1,368,182.20	$630,331.90	$124,074.30
				Liabilities and Capital					
	Current Liabilities								
25	Accounts Payable	$144,101.34	$120,577.16	$17,424.71	25	$2,262.26	$3,174.44	$662.77	
26	Notes Payable	230,000.00	230,000.00		26				
27	Tax and Other Accruals	112,145.23	102,004.15	7,068.57	27	984.62	2,087.89		
28		$486,246.57	$452,581.31	$24,493.28	28	$3,246.88	$5,262.33	$662.77	
29	Inter-Company Accounts	.00	792,591.80	192,616.18	29		439,321.61		
30	Advance Payments (Self Liquidating)	176,429.50	176,429.50		30				
31	Res. for Federal Income Tax (Prior Years)	12,378.73	9,620.57	692.93	31	397.86	17.40	1,649.97	
32	Capital, Stock Common			$10,000.00	32	250,000.00	50,000.00	100,000.00	100,000.00
33	Surplus			1,017,247.75	33	273,421.25	873,580.86	528,019.16	24,074.30
34	Net Worth: 500,000 Shares, no par	12,446,677.29	11,361,318.59	1,027,247.75	34	523,421.25	923,580.86	628,019.16	124,074.30
35	Total Liabs. and Capital	$13,121,732.09	$12,692,541.77	$1,245,050.14	35	$527,065.99	$1,368,182.20	$630,331.90	$124,074.30

[fol. 6124]

Comparative Report of Business
For Twelve Months Ended December 31, 1932 and 1931

	1932		1931	
New Business Booked During Twelve Months Period				
Grinnell Company, Inc.	$1,591,534.28		$3,734,300.97	
Grinnell Company of Canada, Ltd.	111,554.50		211,319.63	
Grinnell Company of the Pacific	117,983.52		306,291.64	
American Moistening Company	35,239.45		243,673.60	
		$1,856,311.75		$4,495,585.84
Contracts on Hand And Uncompleted				
Grinnell Company, Inc.	$718,582.69		$1,260,155.63	
Grinnell Company of Canada, Ltd.	21,292.30		59,443.00	
Grinnell Company of the Pacific	34,190.50		118,877.50	
American Moistening Company	460.00		13,955.00	
		$774,525.49		$1,452,431.13
Finished Business for Twelve Months				
Contracts and Day Work:				
Grinnell Company, Inc.	$2,363,869.49		$3,901,829.40	
Grinnell Company of Canada, Ltd.	167,374.75		227,596.76	
Grinnell Company of the Pacific	216,442.61		512,786.01	
American Moistening Company	55,287.05		224,918.32	
		$2,802,973.90		$4,867,130.49
Supply Sales:				
Grinnell Company, Inc.	$2,777,964,00		$4,256,871.80	
Grinnell Company of Canada, Ltd.	755,994.32		1,227,578.96	
Ontario Malleable Iron Company, Ltd.	93,436.52		179,171.75	
Grinnell Company of the Pacific	704,050.34		1,279,606.41	
American Moistening Company	69,962.87		111,034.52	
Columbia Malleable Castings Corp.	121,138.73		194,119.80	
		$4,522,546.78		$7,248,383.24
Supervisory Rentals and Sales		520,226.78		571,537.50
Inspection Receipts		59,521.86		77,472.89
Total Finished Business		$7,905,269.32		$12,764,524.12

[fol. 6125] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-75(6)

GENERAL FIRE EXTINGUISHER CO.

Report of the Treasurer to the Board of Directors
For Twelve Months Ended December 31, 1933

[fol. 6126] **Forty First Annual Report to the Directors of the General Fire Extinguisher Co.**

To the Directors:

The Treasurer presents herewith the Annual Report of the business of the General Fire Extinguisher Company and its subsidiary companies for the twelve months ended December 31, 1933:

The Report includes the following:

1. Consolidated Earnings Statement
2. Consolidated Surplus
3. Consolidated Income Account, United States Companies
4. Consolidated Income Account, Canadian Companies
5. Comparative Consolidated Balance Sheets, United States Companies
6. Comparative Consolidated Balance Sheets, Canadian Companies
7. Comparative Report of Business

Respectfully submitted, L. W. Jones, Treasurer.

Providence, R. I., February 28, 1934.

[fol. 6127]

Consolidated Earnings Statement

General Fire Extinguisher Company and Subsidiary Companies

Earnings or Losses:		Accumulative Jan. 1/33 Dec. 31/33		Accumulative Jan. 1/32 Dec. 31/32	4th Quar. 1933 Separately		4th Quar. 1932 Separately	
General Fire Extinguisher Company	L.	$990,972.63	L.	$1,530.335.14	L.	$123,665.37	L.	$451,469.34
Grinnell Company of the Pacific	L.	163,807.66	L.	190,665.88	L.	35,500.14	L.	69,687.87
American Moistening Company	G.	55,869.59	L.	28,949.62	G.	16,283.39	L.	5,740.55
Columbia Malleable Castings Corp.	L.	154,220.24	L.	224,152.00	L.	38,550.82	L.	69,432.82
United States Construction Co., Inc.	G.	37,432.36	L.	22,484.08	Not Determined		Not Determined	
Grinnell Company, Inc.	G.	7,392.82	G.	8,348.98	G.	1,078.73	G.	2,715.03
Total	L.	1,208,305.76	L.	1,988,237.74	L.	180,354.21	L.	593,615.55
Less								
Canadian Dividend		125,000.00		442,500.00				
Deduction from Surplus	L.	1,083,305.76	L.	1,545,737.74	L.	180,354.21	L.	593,615.55
Note: Depreciation Charges for the period:		455,884.67		480,064.96		114,600.77		119,792.99

Grinnell Company of Canada, Ltd. and Subsidiary Companies

Earnings or Losses:								
Grinnell Company of Canada, Ltd.	L.	$59,949.08	L.	$115,617.49	G.	$15,071.21	L.	$37,291.69
Ontario Malleable Iron Company, Inc.	L.	54,071.67	L.	59,991.02	L.	23,585.29	L.	28,309.53
Canadian Sprinkler Equipment Co., Ltd.	G.	9,911.07	G.	12,397.41	Not Determined		Not Determined	
Deduction from Surplus		$104,109.68	L.	$163,211.10	L.	$8,514.08	L.	$65,601.22
Note: Depreciation Charges for period		67,482.29		96,085.79		16,871.88		23,892.74

[fols. 6128-6130]

Consolidated Surplus

Consolidated Surplus

General Fire Extinguisher Company and Subsidiary Companies

December 31, 1933 and 1932

				1933			1932
Consolidated Surplus January 1st				$2,071,677.29			$3,617,415.03
Plus: Adjustment for Exchange Fluctuation				57,500.00			.00
Plus: Dividends from Canadian Subsidiaries				125,000.00			442,500.00
				$2,254,177.29			$4,059,915.03
Losses Current Year:							
General Fire Extinguisher Company	L.	$990,972.63			L.	$1,530,335.14	
Grinnell Company of the Pacific	L.	163,807.66			L.	190,665.88	
American Moistening Company	G.	55,869.59			L.	28,949.62	
United States Construction Company, Inc.	G.	37,432.36			L.	22,484.08	
Columbia Malleable Castings Corp.	L.	154,220.24			L.	224,152.00	
Grinnell Company, Inc.	G.	7,392.82			G.	8,348.98	
			L.	1,208,305.76			L. 1,988,237.74
				$1,045,871.53			$2,071,677.29

Grinnell Company of Canada, Ltd. and Subsidiary Companies

Consolidated Surplus, January 1st				$1,041,343.87			$1,717,964.82
Adjustment Prior Year Income and City Taxes		.00				$831.16	
Adjustment for Exchange Fluctuation		$13,392.29				12,578.69	
Dividend Grinnell Co. of Canada, Ltd.		125,000.00				500,000.00	
				111,607.71			513,409.85
				$929,736.16			$1,204,554.97
Losses Current Year:							
Grinnell Company of Canada, Ltd.	L.	$59,949.08			L.	$115,617.49	
Ontario Malleable Iron Co., Ltd.	L.	54,071.67			L.	59,991.02	
Canadian Sprinkler Equipment Co., Ltd.	G.	9,911.07			G.	12,397.41	
			L.	$104,109.68			L. $163,211.10
				$825,626.48			$1,041,343.87

[fols. 6131-6132] Comparative Consolidated Balance Sheets

General Fire Extinguisher Company and U. S. Subsidiary Companies

Assets	Dec. 31, 1933	* Dec. 31, 1932
Current Assets:		
Cash	$465,525.08	$539,938.38
Accounts Receivable	1,010,591.79	993,976.40
Notes and Acceptances Receivable	107,560.85	90,763.94
Inventories and Contracts in Process	2,827,017.57	3,270,540.53
Securities	7,245.00	22,523.00
Total Current Assets	$4,417,940.29	$4,917,742.25
Investments:		
Contract Installments Not Due	163,473.61	290,238.04
Due from Canadian Subsidiaries	576,782.58	546,518.86
Investments in Canadian Companies	862,828.72	862,828.72
Stocks, Bonds and Other	141,529.88	153,571.09
Total Investments	$1,744,614.79	$1,853,156.71
Fixed Assets:		
Land and Buildings	$4,954,071.75	$4,973,543.95
Machinery and Operating Equipment	5,120,114.35	5,134,818.92
	$10,074,186.10	$10,108,362.87
Less: Depreciation Reserve	5,594,119.88	5,210,032.74
Total Fixed Assets	$4,480,066.22	$4,898,330.13
Patents	5,130.20	6,199.98
Good Will	1,000,001.00	1,000,001.00
Deferred Items:		
Prepaid Items and Deferred Changes	49,041.62	62,733.94
Long Term & Mortgage Notes Receivable	104,994.21	231,812.00
Sundry Accounts Receivable Suspense	170,690.52	112,272.64
	$324,726.35	$406,818.58
Total Assets	$11,972,478.85	$13,082,248.65

Liabilities and Capital		
Current Liabilities:		
Accounts Payable	$235,664.35	$145,997.76
Notes Payable	.00	230,000.00
Tax and Other Accruals	134,160.39	120,790.11
Total Current Liabilities	$369,824.74	$496,787.87
Advance Payments (Self Liq.)	169,403.85	176,429.50
Res. for Fed. Income Tax (Prior Years)	12,378.73	12,378.73
Net Worth:		
Represented by 500,000 Shares No Par Outstanding (700,000 Authorized)	11,420,871.53	12,396,652.55
Total Liabilities & Capital	$11,972,478.85	$13,082,248.65

* As certified by Cooley & Marvin

[fol. 6133]

Comparative Report of Business

By Companies and Divisions

Closed			Finished	
1933	1932		1933	1932
		Fire Protection		
		Contracts and Day Work		
$1,548,111.25	$1,300,738.04	Grinnell Company, Inc.	$1,433,887.38	$1,755,690.52
197,340.79	117,748.02	Grinnell Company of the Pacific	151,820.90	209,779.68
120,604.79	111,554.50	Grinnell Company of Canada, Ltd.	129,353.29	140,183.72
$1,866,056.83	$1,530.040.56		$1,715,061.57	$2,105,653.92
		Specialty Sales		
$169,102.72	$120,738.87	Grinnell Company, Inc	$169,102.72	$120,738.87
12,096.97	5,193.93	Grinnell Company of the Pacific	12,096.97	5,193.93
26,649.82	27,191.03	Grinnell Company of Canada, Ltd.	26,649.82	27,191.03
$207,849.51	$153,123.83		$207,849.51	$153,123.83
		Heating & Industrial Piping		
		Contracts and Day Work		
$367,834.42	$291,227.35	Grinnell Company, Inc	$319,355.17	$487,440.10
		American Moistening Company		
$150,100.20	$38,556.72	Contracts and Day Work	$122,903.38	$55,287.05
163,022.21	69,962.87	Sales of Apparatus	163,022.21	69,962.87
$313,122.41	$108,519.59		$285,925.59	$125,249.92
		Supply & Direct Sales		
$3,083,787.77	$2,777,964.00	Grinnell Company, Inc.	$3,083,787.77	$2,777,964.00
773,475.16	704,050.34	Grinnell Co. of Pacific	773,475.16	704,050.34
669,327.19	755,994.32	Grinnell Company of Canada, Ltd.	669,327.19	755,994.32
$4,526,590.12	$4,238,008.66		$4,526,590.12	$4,238,008.66
		Miscellaneous Sales		
$156,343.87	$121,138.73	Columbia Malleable Castings Corp.	$156,343.87	$121,139.73
82,069.48	93,436.52	Ontario Malleable Iron Co., Ltd.	82,069.48	93,436.52
$4,765,003.47	$4,452,583.91		$4,765,003.47	$4,452,583.91
		Service		
$493,860.28	$521,695.78	Supervisory Rentals, Grinnell Co., Inc.	$516,419.19	$529,477.72
50,981.02	59,521.86	Inspection, Grinnell Company, Inc.	55,447.76	66,482.13
544,841.30	581,217.64		571,866.95	595,959.85
$8,064,707.94	$7,116,712.88	Total	$7,865,062.26	$7,920,011.53
		Recap. By Companies:		
$5,713,677.46	$5,071,885.90	Grinnell Company, Inc.	$5,577,999.99	$5,737,793.34
982,912.92	826,992.29	Grinnell Company of the Pacific	937,393.03	919,023.95
313,122.41	108,519.59	American Moistening Co.	285,925.59	125,249.92
156,343.87	121,138.73	Columbia Malleable Castings Corp.	156,343.87	121,138.73
816,581.80	894,739.85	Grinnell Company of Canada, Ltd.	825,330.30	923,369.07
82,069.48	93,436.52	Ontario Malleable Iron Co., Ltd.	82,069.49	93,436.52
$8,064,707.94	$7,116,712.88	Total	$7,865,062.26	$7,920,011.53

Contracts on Hand and Uncompleted at Face

	January 1st, 1934	January 1st, 1933
Grinnell Company, Inc.	$858,521.13	$718,582.69
Grinnell Company of Pacific	85,481.50	34,190.50
American Moistening Company	31,845.24	460.00
Grinnell Company of Canada, Ltd.	12,571.00	21,292.30
	$988,418.87	$774,525.49

[fol. 6134] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-75(7)

GENERAL FIRE EXTINGUISHER CO.

Report of the Treasurer to the Board of Directors
For Twelve Months Ended December 31, 1934

[fol. 6135] Forty Second Annual Report to the Directors of the General Fire Extinguisher Co.

To the Directors:

The Treasurer presents herewith the Annual Report of business of the General Fire Extinguisher Company and its subsidiary companies for the twelve months ended December 31, 1934:

The Report includes the following:

1. Consolidated Earnings Statement
2. Consolidated Surplus
3. Consolidated Income Account, United States Companies
4. Consolidated Income Account, Canadian Companies
5. Comparative Consolidated Balance Sheets, United States Companies
6. Comparative Consolidated Balance Sheets, Canadian Companies
7. Comparative Report of Business

Respectfully submitted, L. W. Jones, Treasurer.

Providence, R. I., February 21, 1935.

Consolidated Earnings Statement

General Fire Extinguisher Company and Subsidiary Companies

Earnings or Losses:		Accumulative Jan. 1 to Dec. 31, '34		Accumulative Jan. 1 to Dec. 31, '33		4th Quar. 1934 Separately		4th Quar. 1933 Separately
General Fire Extinguisher Company	L.	$160,831.53	L.	$990,972.63	G.	$65,840.06	L.	$123,665.37
Grinnell Company of the Pacific	L.	55,422.91	L.	163,807.66	L.	2,411.46	L.	35,500.14
American Moistening Company	G.	129,310.30	G.	55,869.59	L.	1,764.22	G.	16,283.39
Columbia Malleable Castings Corp.	L.	71,719.41	L.	154,220.24	L.	984.01	L.	38,550.82
United States Construction Co., Inc.	G.	45,883.68	G.	37,432.36		Not Determined		Not Determined
Grinnell Company, Inc.	G.	9,285.81	G.	7,392.82	G.	2,884.82	G.	1,078.73
Hartwell Company, Inc.	L.	5,807.91		.00	L.	1,713.91		.00
	L.	$109,301.97	L.	$1,208,305.76	G.	$61,851.28	L.	$180,354.21
Less: Canadian Dividend		.00		125,000.00		.00		.00
	L.	$109,301.97	L.	$1,083,305.76	G.	$61,851.28	L.	$180,354.21
Reserve for Federal Income Tax		25,365.96		.00		6,463.08		.00
Deduction from Surplus	L.	$134,667.93	L.	$1,083,305.76	G.	$55,388.20	L.	$180,354.21
Note: Depreciation Charges for the Period		$423,044.03		$455,884.67		$105,355.47		$114,600.77

Grinnell Company of Canada, Ltd. and Subsidiary Companies

Earnings or Losses:								
Grinnell Company of Canada, Ltd.	G.	$67,057.56	L.	$59,949.08	G.	$35,162.75	G.	15,071.21
Ontario Malleable Iron Company, Ltd.	L.	39,394.53	L.	54,071.67	L.	20,272.55	L.	23,585.29
Canadian Sprinkler Equipment Co., Ltd.	G.	16,634.93	G.	9,911.07		Not Determined		Not Determined
Total	G.	$44,297.96	L.	$104,109.68	G.	$14,890.20	L.	$8,514.08
Reserve for Dominion Income Tax		5,980.22		.00		4,295.32		.00
Addition for Surplus	G.	$38,317.74	L.	$104,109.68	G.	$10,594.88	L.	$8,514.08
Note: Depreciation Charges for the Period		$59,053.26		$67,482.29		$14,274.02		$16,871.88

[fols. 6137-6139]

Consolidated Surplus

General Fire Extinguisher Company and Subsidiary Companies

		Dec. 31, 1934		Dec. 31, 1933	
Consolidated Surplus, January 1st			$1,045,871.53		$2,071,677.29
Plus: Adjustment for Exchange Fluctuation			.00		57,500.00
Dividends from Canadian Subsidiaries			.00		125,000.00
Less: Adjustment for Federal Tax Reserves			13,367.99		.00
			$1,032,503.54		$2,254,177.29
Earnings or Losses Current Year:					
General Fire Extinguisher Company	L.	$160,831.53		L. $990,972.63	
Grinnell Company of the Pacific	L.	55,422.91		L. 163,807.66	
American Moistening Company	G.	129,310.30		G. 55,869.59	
Columbia Malleable Castings Corp.	L.	71,719.41		L. 154,220.24	
U.S. Construction Company, Inc.	G.	45,883.68		G. 37,432.36	
Grinnell Company, Inc.	G.	9,285.81		G. 7,392.82	
Hartwell Company, Inc.	L.	5,807.91		.00	
	L.	$109,301.97		L. $1,208,305.76	
Federal Income Tax		25,365.96		.00	
			L. 134,667.93		L. 1,208,305.76
			$897,835.61		$1,045,871.53
To adjust Investment in Canadian Subsidiary to present Net Worth			G. 101,115.50		.00
Consolidated Surplus, December 31st			$998,951.11		$1,045,871.53

Grinnell Company of Canada, Ltd., and Subsidiary Companies

Consolidated Surplus, January 1st			$825,626.48		$1,041,343.87
Plus: Adjustment for Exchange Fluctuation			.00	$13,392.29	
Less: Dividend Grinnell Co. of Canada, Ltd.			.00	125,000.00	111,607.71
			$825,626.48		$929,736.16
Earnings or Losses Current Year:					
Grinnell Company of Canada, Ltd,	G.	$67,057.56		L. $59,949.08	
Ontario Malleable Iron Company, Ltd.	L.	39,394.53		L. 54,071.67	
Canadian Sprinkler Equipment Co., Ltd.	G.	16,634.93		G. 9,911.07	
	G.	$44,297.96		L. $104,109.68	
Dominion Income Tax		5,980.22		.00	
			G. 38,317.74		L. 104,109.68
Consolidated Surplus, December 31st			$863,944.22		$825,626.48

[Jols. 6140-6'41] Comparative Consolidated Balance Sheets

General Fire Extinguisher Company and U. S. Subsidiary Companies

Assets	December 31, 1934	December 31, 1933
Current Assets:		
Cash	$1,352,075.03	$465,525.08
Accounts Receivable	1,099,361.84	1,008,340.77
Notes and Acceptances Receivable	63,701.65	107,560.85
Inventories and Contracts in Process	2,451,695.81	2,827,017.57
Securities	6,895.00	7,245.00
Total Current Assets	4,973,729.33	4,415,689.27
Investments:		
Contract Installments Not Due	104,242.19	165,654.63
Due from Canadian Subsidiaries	418,542.24	576,782.58
Investment in Canadian Companies	963,944.22	862,828.72
Stocks, Bonds and Other	133,387.48	141,529.88
Total Investments	1,620,116.13	1,746,795.81
Fixed Assets:		
Land and Buildings	4,971,789.53	4,954,071.75
Machinery and Operating Equipment	5,117,842.00	5,120,114.35
	10,089,631.53	10,074,186.10
Less: Depreciation Reserve	5,955,857.55	5,594,119.88
Total Fixed Assets	4,133,773.98	4,480,066.22
Patents	5,410.42	5,130.20
Good Will	1,000,001.00	1,000,001.00
Deferred Items:		
Prepaid Items and Deferred Charges	66,498.03	49,111.62
Long Term and Mortgage Notes Receivable	5,833.36	104,994.21
Sundry Accounts Receivable Suspense	141,508.01	170,690.52
Total Deferred Items	213,839.40	324,796.35
Total Assets	$11,946,870.26	$11,972,478.85

Liabilities and Capital		
Current Liabilities:		
Accounts Payable	$236,806.79	$235,651.45
Taxes and Other Accruals	134,462.26	134,173.29
Total Current Liabilities	371,269.05	369,824.74
Advance Payments (Self Liquidating)	150,537.42	169,403.85
Federal Income Tax Reserves	51,112.68	12,378.73
Net Worth:		
Represented by 500,000 Shares No Par outstanding (700,000 Authorized)	11,373,951.11	11,420,871.53
Total Liabilities and Capital	$11,946,870.26	$11,972,478.85

Consolidated Surplus, December 31st

[fol. 6142]

Comparative Report of Business

By Companies and Divisions
For Twelve Months Ended December 31

Closed			Finished	
1934	1933		1934	1933
		Fire Protection		
		Contracts and Day Work:		
$1,475,890.26	$1,548,111.25	Grinnell Company, Inc.	$1,720,076.64	$1,433,887.38
121,558.10	197,340.79	Grinnell Company of the Pacific	179,180.80	151,820.90
123,811.72	120,604.79	Grinnell Company of Canada, Ltd.	116,490.82	129,353.29
1,721,260.08	1,866,056.83		2,015,748.26	1,715,061.57
		Specialty Sales		
155,785.54	169,102.72	Grinnell Company, Inc.	155,785.54	169,102.72
7,125.87	12,096.97	Grinnell Company of the Pacific	7,125.87	12,096.97
34,019.03	26,649.82	Grinnell Company of Canada, Ltd.	34,019.03	26,649.82
196,930.44	207,849.51		196,930.44	207,849.51
		Heating and Industrial Piping		
		Contracts and Day Work:		
429,777.37	367,834.42	Grinnell Company, Inc.	467,545.91	319,355.17
127,090.92	.00	Hartwell Company, Inc.	48,615.10	.00
556,868.29	367,834.42		516,161.01	319,355.17
		Humidification		
280,040.34	150,100.20	Contracts and Day Work	289,517.88	122,903.38
153,936.44	163,022.21	Sale of Apparatus	153,936.44	163,022.21
433,976.78	313,122.41		443,454.32	285,925.59
		Supply and Direct Sales		
4,613,235.47	3,083,787.77	Grinnell Company, Inc.	4,613,235.47	3,083,787.77
1,060,825.61	773,475.16	Grinnell Company of the Pacific	1,060,825.61	773,475.16
1,021,737.45	669,327.19	Grinnell Company of Canada, Ltd.	1,021,737.45	669,327.19
6,695,798.53	4,526,590.12		6,695,798.53	4,526,590.12
		Miscellaneous Sales		
259,715.80	156,343.87	Columbia Malleable Castings Corp.	259,715.80	156,343.87
158,906.07	82,069.48	Ontario Malleable Iron Company, Ltd.	158,906.07	82,069.48
7,114,420.40	4,765,003.47		7,114,420.40	4,765,003.47
		Service		
532,135.15	493,860.28	Grinnell Co., Inc., Supervisory	545,673.12	516,419.19
51,912.76	50,981.02	Grinnell Co., Inc., Inspections	52,241.22	55,447.76
548,047.91	544,841.30		597,914.34	571,866.95
$10,607,503.90	$8,064,707.94	**Total**	$10,884,628.77	$7,865,062.26
		Recap. By Companies		
$7,258,736.55	$5,713,677.46	Grinnell Company, Inc.	$7,554,557.90	$5,577,999.99
1,189,509.58	982,912.92	Grinnell Company of the Pacific	1,247,132.28	937,393.03
433,976.78	313,122.41	American Moistening Company	443,454.32	285,925.59
259,715.80	156,343.87	Columbia Malleable Castings Corp.	259,715.80	156,343.87
127,090.92	.00	Hartwell Company, Inc.	48,615.10	.00
1,179,568.20	816,581.80	Grinnell Company of Canada, Ltd.	1,172,247.30	825,330.30
158,906.07	82,069.48	Ontario Malleable Iron Company, Ltd.	158,906.07	82,069.48
$10,607,503.90	$8,064,707.94	**Total**	$10,884,628.77	$7,865,062.26

Contracts on Hand and Uncompleted at Face

	Dec. 31, 1934	Dec. 31, 1933
Grinnell Company, Inc.	$489,306.20	$858,521.13
Grinnell Company of the Pacific	34,245.00	85,481.50
American Moistening Company	51,032.00	31,845.24
Hartwell Company, Inc.	79,191.50	.00
Grinnell Company of Canada, Ltd.	20,166.00	12,571.00
	$673,940.70	$988,418.87

[fol. 6143] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-75(8)

GENERAL FIRE EXTINGUISHER CO.

Report of the Treasurer to the Board of Directors
For Twelve Months Ended December 31, 1935

[fol. 6144] Forty Third Annual Report to the Directors of the General Fire Extinguisher Co.

To the Directors:

The Treasurer presents herewith the Annual Report of business of the General Fire Extinguisher Company and its subsidiary companies for the twelve months ended December 31, 1935:

The Report includes the following:

1. Consolidated Earnings Statement
2. Consolidated Surplus
3. Consolidated Income Account, United States Companies
4. Consolidated Income Account, Canadian Companies
5. Comparative Consolidated Balance Sheets, United States Companies
6. Comparative Consolidated Balance Sheets, Canadian Companies
7. Comparative Report of Business

Respectfully submitted, L. W. Jones, Treasurer.

Providence, R. I., February 19, 1936.

[fol. 6145]

Consolidated Earnings Statement

General Fire Extinguisher Company and U. S. Subsidiary Companies

	Accumulative Jan. 1 to Dec. 31, 1935	Accumulative Jan. 1 to Dec. 31, 1934	4th Quar. 1935 Separately	4th Quar. 1934 Separately
Earnings or Losses:				
General Fire Extinguisher Company	L. $60,811.62	L. $175,831.53	G. $127,994.90	G. $50,840.06
Grinnell Company of the Pacific	L. 27,790.36	L. 55,422.91	G. 591.88	L. 2,411.46
Humidification Division	G. 86,747.58	G. 129,310.30	G. 36,906.86	L. 1,764.22
Columbia Malleable Castings Corp.	G. 37,443.10	L. 71,719.41	G. 16,472.03	L. 984.01
Finance Division	G. 68,566.43	G. 45,883.68	Not Determined	Not Determined
Grinnell Company, Inc.	G. 3,274.67	G. 9,285.81	L. 113.44	G. 2,884.82
Hartwell Company, Inc.	L. 15,567.10	L. 5,807.91	L. 23,992.29	L. 1,713.91
	G. $91,862.70	L. $124,301.97	G. $157,859.94	G. $46,851.28
Reserve for Federal Income Tax	29,602.70	25,365.96	8,592.25	6,463.08
Deduction from Surplus	G. $62,260.00	L. $149,667.93	G. $149,267.69	G. $40,388.20
Note: Depreciation Charges for the Period	$383,133.03	$423,044.03	$88,874.37	$105,355.47

Consolidated Earnings Statement

Grinnell Company of Canada, Ltd., and Subsidiary Companies

Earnings or Losses:				
Grinnell Company of Canada, Ltd.	G. $125,414.96	G. $67,057.56	G. $59,091.51	G. $35,162.75
Ontario Malleable Iron Company, Ltd.	L. 30,560.86	L. 39,394.53	G. 716.28	L. 20,272.55
Canadian Sprinkler Equipment Co., Ltd.	G. 4,345.15	G. 16,634.93	Not Determined	Not Determined
Total	G. $99,199.25	G. $44,297.96	G. $59,807.79	G. $14,890.20
Reserve for Dominion Income Tax	13,391.90	5,980.22	8,660.65	4,295.32
Addition for Surplus	G. $85,807.35	G. $38,317.74	G. $51,147.14	G. $10,594.88
Note: Depreciation Charges for the Period	$52,767.24	$59,053.26	$13,191.81	$14,274.02

[fols. 6146-6150]

Consolidated Surplus

General Fire Extinguisher Company and Subsidiary Companies
(Including equity in entire Net Worth of all Subsidiaries)

		December 1935			December 1934	
Consolidated Surplus, January 1st			$983,951.11			$1,045,871.53
Less: Common Stock Dividend Feb. 21		$50,000.00			$.00	
declared May 22		50,000.00			.00	
			$100,000.00			.00
			$883,951.11			$1,045,871.53
Adjustment for Federal Tax Reserve	G.	$3,674.99		L.	$13,367.99	
Adjustment for intercompany item	G.	2,461.62			.00	
			G. 6,136.61			L. 13,367.99
			$890,087.72			$1,032,503.54
Earnings or Losses Current Year:						
General Fire Extinguisher Company	L.	$60,811.62		L.	$175,831.53	
Grinnell Company of the Pacific	L.	27,790.36		L.	55,422.91	
Humidification Division	G.	86,747.58		G.	129,310.30	
Columbia Malleable Castings Corp.	G.	37,443.10		L.	71,719.41	
Finance Division	G.	68,566.43		G.	45,883.68	
Grinnell Company, Inc.	G.	3,274.67		G.	9,285.81	
Hartwell Company, Inc.	L.	15,567.10		L.	5,807.91	
	G.	$91,862.70		L.	$124,301.97	
Federal Income Tax		29,602.70			25,365.96	
			G. 62,260.00			L. 149,667.93
			$952,347.72			$882,835.61

To adjust Investment in Canadian Subsidiary to Net Worth at Dec. 31, 1933				.00			G.	62,797.76
Earnings or Losses Current Year:								
Grinnell Company of Canada, Ltd.	G.	$125,414.96			G.	$67,057.56		
Ontario Malleable Iron Company, Ltd.	L.	30,560.86			L.	39,394.53		
Canadian Sprinkler Equipment Co., Ltd.	G.	4,345.15			G.	16,634.93		
	G.	$99,199.25			G.	$44,297.96		
		13,391.90				5,980.22		
Dominion Income Tax			G.	85,807.35			G.	38,317.74
				$1,038,155.07				$983,951.11
Surplus created by reduction in amount at which 500,000 shares no par value stock carried in capital account from $10,375,000.00 to 5,000.000.00				5,375,000.00				.00
				$6,413,155.07				$983,951.11
Less: Reserve for Contingencies				47,000.00				.00
				$6,366,155.07				$983,915.11

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[fols. 6151-6152] Comparative Consolidated Balance Sheets

General Fire Extinguisher Company and U. S. Subsidiary Companies

Assets

	Dec. 31, 1935	Dec. 31, 1934
Current Assets:		
Cash	$1,291,486.30	$1,352,075.03
Accounts Receivable	1,375,957.61	1,099,361.84
Notes and Acceptances Receivable	7,449.07	63,701.65
Inventories and Contracts in Process	2,724,650.40	2,451,695.81
Securities	.00	6,895.00
Total Current Assets	5,399,543.38	4,973,729.33
Investments:		
Contract Installments Not Due	26,796.01	104,242.19
Due from Canadian Subsidiaries	432,580.47	418,542.24
Investment in Canadian Companies	1,049,751.57	963,944.22
G.S. & I. Fund Notes	47,000.00	.00
Stocks, Bonds and Other	129,916.00	133,387.48
Total Investments	1,686,044.05	1,620,116.13
Fixed Assets:		
Land and Buildings	4,992,574.19	4,971,789.53
Machinery and Operating Equipment	5,110,529.85	5,117,842.00
	10,103,104.04	10,089,631.53
Less: Depreciation Reserve	6,246,600.17	5,955,857.55
Total Fixed Assets	3,856,503.87	4,133,773.98
Patents	4,190.70	5,410.42
Good Will	1,000,001.00	1,000,001.00
Deferred Items:		
Prepaid Items and Deferred Charges	123,040.44	66,498.03
Long Term and Mortgage Notes Receivable	17,950.23	5,833.36
Sundry Accounts Receivable Suspense	75,493.12	141,508.01
Total Deferred Items	216,483.79	213,839.40
Total Assets	$12,162,766.79	$11,946,870.26

Liabilities and Capital

Current Liabilities:		
Accounts Payable	$318,462.37	$236,806.79
Taxes and Other Accruals	189,407.34	134,462.26
Total Current Liabilities	507,869.71	371,269.05
Advance Payments (Self Liquidating)	157,458.43	165,537.42
Federal Income Tax Reserves	74,312.46	51,112.68
Reserve for Contingencies	47,000.00	.00
Other Reserves	9,971.12	.00
Net Worth:		
Represented by 500,000 Shares No Par (declared value $5,000,000.00) outstanding (700,000 Authorized)	11,366,155.07	11,358,951.11
Total Liabilities and Capital	$12,162,766.79	$11,946,870.26

[fols. 6153]

Comparative Report of Business

By Companies and Divisions
For Twelve Months Ended December 31

Closed 1935	Closed 1934		Finished 1935	Finished 1934
		Fire Protection		
		Contracts and Day Work:		
$2,099,188.80	$1,475,890.26	Grinnell Company, Inc.	$2,030,178.72	$1,720,076.64
266,301.65	121,558.10	Grinnell Company of the Pacific	146,812.22	179,180.80
101,163.46	123,811.72	Grinnell Company of Canada, Ltd.	119,573.83	116,490.82
2,466,653.91	1,721,260.08		2,296,564.77	2,015,748.26
		Specialty Sales		
162,588.95	155,785.54	Grinnell Company, Inc.	162,588.95	155,785.54
7,744.19	7,125.87	Grinnell Company of the Pacific	7,744.19	7,125.87
34,203.07	34,019.03	Grinnell Company of Canada, Ltd.	34,203.07	34,019.03
204,536.21	196,930.44		204,536.21	196,930.44
		Industrial Piping		
		Contracts and Day Work:		
240,549.58	429,777.37	Grinnell Company, Inc.	221,889.20	467,545.91
176,809.20	127,090.92	Hartwell Company, Inc.	160,385.70	48,615.10
417,358.78	556,868.29		382,274.90	516,161.01
		Humidification		
245,505.26	280,040.34	Contracts and Day Work	224,221.93	289,571.88
121,148.53	153,936.44	Sale of Apparatus	126,148.53	153,936.44
371,653.79	433,976.78		350,370.46	443,454.32
		Supply and Direct Sales		
5,351,367.43	4,613,235.47	Grinnell Company, Inc.	5,351,367.43	4,613,235.47
1,481,982.66	1,060,825.61	Grinnell Company of the Pacific	1,481,982.66	1,060,825.61
1,132,680.23	1,021,737.45	Grinnell Company of Canada, Ltd.	1,132,680.23	1,021,737.45
7,966,030.32	6,695,798.53		7,966,030.32	6,695,798.53
		Miscellaneous Sales		
302,598.85	259,715.80	Columbia Malleable Castings Corp.	302,598.85	259,715.80
191,393.57	158,906.07	Ontario Malleable Iron Company, Ltd.	191,393.57	158,906.07
8,460,022.74	7,114,420.40		8,460,022.74	7,114,420.40
		Service		
542,530.45	532,135.15	Grinnell Co., Inc., Supervisory	544,533.04	530,673.12
51,599.43	51,912.76	Grinnell Co., Inc., Inspections	51,929.17	52,241.22
594,129.88	584,047.91		596,462.21	582,914.34
$12,514,355.31	$10,607,503.90	**Total**	$12,290,231.29	$10,869,628.77
		Recap. By Companies		
$8,447,824.64	$7,258,736.55	Grinnell Company, Inc.	$8,362,486.51	$7,539,557.90
1,756,028.50	1,189,509.58	Grinnell Company of the Pacific	1,636,539.07	1,247,132.28
371,653.79	433,976.78	Humidification Division	350,370.46	443,454.32
302,598.85	259,715.80	Columbia Malleable Castings Corp.	302,598.85	259,715.80
176,809.20	127,090.92	Hartwell Company, Inc.	160,385.70	48,615.10
1,268,046.76	1,179,568.20	Grinnell Company of Canada, Ltd.	1,286,457.13	1,172,247.30
191,393.57	158,906.07	Ontario Malleable Iron Company, Ltd.	191,393.57	158,906.07
$12,514,355.31	$10,607,503.90	Total	$12,290,231.29	$10,869,628.77

Contracts On Hand and Uncompleted At Face

	Dec. 31, 1935	Dec. 31, 1934
Grinnell Company, Inc.	$525,517.73	$489,306.20
Grinnell Company of the Pacific	156,077.50	34,245.00
Humidification Division	71,223.30	51,032.00
Hartwell Company, Inc.	95,615.00	79,191.50
Grinnell Company of Canada, Ltd.	1,757.16	20,166.00
	$850,190.69	$673,940.70

[fol. 6154] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-75(9)

GENERAL FIRE EXTINGUISHER CO.

Report of the Treasurer to the Board of Directors
For Twelve Months Ended December 31, 1936

[fol. 6155] Forty Fourth Annual Report to the Directors of the General Fire Extinguisher Co.

To the Directors:

The Treasurer presents herewith the Annual Report of business of the General Fire Extinguisher Company and its subsidiary companies for the twelve months ended December 31, 1936.

The Report includes the following:

1. Consolidated Earnings Statement
2. Consolidated Surplus
3. Consolidated Income Account, United States Companies
4. Consolidated Income Account, Canadian Companies
5. Comparative Consolidated Balance Sheets, United States Companies
6. Comparative Consolidated Balance Sheets, Canadian Companies
7. Comparative Report of Business

Respectfully submitted, L. W. Jones, Treasurer.

Providence, R. I., February 17, 1937.

[fol. 6156]

Consolidated Earnings Statement

General Fire Extinguisher Company and Subsidiary Companies

		Accumulative Jan. 1 to Dec. 31, 1936		Accumulative Jan. 1 to Dec. 31, 1935		4th Quar. 1936 Separately		4th Quar. 1935 Separately
Earnings or Losses:								
Consolidated U. S. Companies	G.	$726,868.33	G.	$91,862.70	G.	$250,987.76	G.	$157,859.94
Federal and State Social Security Excise Taxes Accrued		50,938.43		.00		15,144.47		.00
		675,929.90	G.	$91,862.70		235,843.29	G.	$157,859.94
Reserve for Federal Income Taxes		115,262.35		29,602.70		47,865.79		8,592.25
Addition to Surplus	G.	560,667.55	G.	$62,260.00		187,977.50	G.	$149,267.69
Note: Depreciation Charges for the Period		367,905.61		$383,133.03		91,147.08		$88,874.37

Consolidated Earnings Statement

Grinnell Company of Canada, Ltd., and Subsidiary Companies

Earnings or Losses:								
Consolidated Canadian Companies	G.	$136,411.41	G.	$99,199.25	G.	$54,684.81	G.	$59,807.79
Reserve for Dominion Income Taxes		23,189.94		13,391.90		9,296.42		8,660.65
Addition to Surplus	G.	113,221.47	G.	$85,807.35	G.	45,388.39	G.	$51,147.14
Note: Depreciation Charges for the Period		41,967.88		$52,767.24		10,457.26		$13,191.81

[fols. 6157-6159]

Consolidated Surplus

General Fire Extinguisher Company and Subsidiary Companies
(Including equity in entire Net Worth of all Subsidiaries)

		December, 1936		December, 1935	
Consolidated Surplus, January 1st			$6,366,155.07		$983,951.11
Less: Common Stock Dividend	Jan. 8	$50,000.00		$ .00	
	Feb. 19	50,000.00		50,000.00	
	May 20	50,000.00		50,000.00	
	Aug. 20	100,000.00		.00	
	Dec. 10	100,000.00		.00	
	Dec. 24	150,000.00		.00	
			500,000.00		100,000.00
			5,866,155.07		$883,951.11
Add: Federal Tax Reserve Adjustment		$ 716.93		$3,674.99	
Inter-Company Adjustment		.00		2,461.62	
			716.93		6,136.61
			5,866,872.00		$890,087.72
Less: Reserve for Contingencies			.00		47,000.00
Add: Unused Reserve			14,309.48		.00
			$5,881,181.48		$843,087.72

Earnings or Losses Current Year:							
Consolidated U. S. Companies	G.	$726,868.33		G.	$91,862.70		
Federal & State Social Security Excise Taxes Accrued		50,938.43			.00		
	G.	675,929.90		G.	$91,862.70		
Federal Income Tax		115,262.35			29,602.70		
			G. 560,667.55			G. 62,260.00	
			$6,441,849.03				$905,347.72
Earnings or Losses Current Year:							
Consolidated Canadian Companies	G.	$136,411.41		G.	$99,199.25		
Dominion Income Tax		23,189.94			13,391.90		
	G.	113,221.47		G.	85,807.35		
Add: Unused Res. Mtge.		12,512.62			.00		
			G. 125,734.09			G. 85,807.35	
			$6,567,583.12				$991,155.07
Surplus created by reduction in amount at which 500,000 shares no par value stock carried in capital account							
from $10,375,000.00							
to 5,000,000.00			.00				5,375,000.00
			$6,567,583.12				$6,366,155.07

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[fols. 6160-6161] Comparative Consolidated Balance Sheets
General Fire Extinguisher Company and U. S. Subsidiary Companies

Assets

	Dec., 1936	Dec., 1935
Current Assets:		
Cash	$807,759.85	$1,291,486.30
Accounts Receivable	1,815,748.58	1,375,957.61
Notes and Acceptances Receivable	19,023.92	54,449.07
Inventories and Contracts in Process	3,543,929.78	2,724,650.40
Total Current Assets	6,186,462.13	5,446,543.38
Investments:		
Contract Installments Not Due	7,669.89	26,796.01
Due from Canadian Subsidiaries	184,016.40	432,580.47
Investment in Canadian Companies	1,175,485.66	1,049,751.57
Stocks, Bonds and Other	165,968.00	129,916.00
Total Investments	1,533,139.95	1,639,044.05
Fixed Assets:		
Land and Buildings	5,012,777.27	4,992,574.19
Machinery and Operating Equipment	5,212,638.36	5,110,529.85
	10,225,415.63	10,103,104.04
Less: Depreciation Reserve	6,521,643.85	6,246,600.17
Total Fixed Assets	3,703,771.78	3,856,503.87
Patents	3,666.20	4,190.70
Good Will	1,000,001.00	1,000,001.00
Deferred Items:		
Prepaid Items and Deferred Charges	146,445.34	123,040.44
Deferred Accounts Receivable	10,066.80	17,950.23
Sundry Accounts Receivable Suspense	28,886.71	75,493.12
Total Deferred Items	185,398.85	216,483.79
Total Assets	$12,612,439.91	$12,162,766.79

Liabilities and Capital

Current Liabilities:		
Accounts Payable	$495,848.12	$318,462.37
Taxes and Other Accruals	212,254.17	189,407.34
Total Current Liabilities	708,102.29	507,869.71
Advance Payments (Self Liquidating)	152,817.33	157,458.43
Federal Income Tax Reserves	177,397.26	74,312.46
Other Reserves	6,539.91	56,971.12
Net Worth		
Represented by 500,000 Shares No Par outstanding (700,000 Authorized)	11,567,583.12	11,366,155.07
Total Liabilities and Capital	$12,612,439.91	$12,162,766.79

[fol. 6162]

Comparative Report of Business

By Companies and Divisions
For Twelve Months Ended December 31

Closed 1936	Closed 1935		Finished 1936	Finished 1935
		Fire Protection		
		Contracts and Day Work:		
$2,879,991.62	$2,099,188.80	Grinnell Company, Inc.	$2,163,304.41	$2,030,178.72
630,525.61	266,301.65	Grinnell Company of the Pacific	388,720.63	146,812.22
202,781.68	101,163.46	Grinnell Company of Canada, Ltd.	115,004.39	119,573.83
3,713,298.91	2,466,653.91		2,667,029.43	2,296,564.77
		Specialty Sales		
200,201.38	162,588.95	Grinnell Company, Inc.	200,201.38	162,588.95
14,388.01	7,744.19	Grinnell Company of the Pacific	14,388.01	7,744.19
34,406.64	34,203.07	Grinnell Company of Canada, Ltd.	34,406.64	34,203.07
248,996.03	204,536.21		248,996.03	204,536.21
		Heating and Industrial Piping		
		Contracts and Day Work:		
754,818.91	240,549.58	Grinnell Company, Inc.	665,683.53	221,889.20
341,142.78	176,809.20	Hartwell Company, Inc.	126,160.18	160,385.70
205,532.32	.00	Daugherty Company, Inc.	131,327.32	.00
1,301,494.01	417,358.78		923,171.03	382,274.90
		Humidification		
366,572.03	245,505.26	Contracts and Day Work	324,595.85	224,221.93
210,458.42	126,148.53	Sale of Apparatus	210,458.42	126,148.53
577,030.45	371,653.79		525.054.27	350,370.46
		Supply and Direct Sales		
7,799,082.22	5,351,367.43	Grinnell Company, Inc.	7,799,082.22	5,351,367.43
2,002,164.98	1,481,982,66	Grinnell Company of the Pacific	2,002,164.98	1,481,982.66
1,329,071.77	1,132,680.23	Grinnell Company of Canada, Ltd.	1,329,071.77	1,132,680.23
11,130,318,97	7,966,030.32		11,130,318.97	7,966,030.32
		Miscellaneous Sales		
466,599.74	302,598.85	Columbia Malleable Castings Corp.	466,599.74	302,598.85
272,087.25	191,393.57	Ontario Malleable Iron Company, Ltd.	272,087.25	191,393.57
11,869,005.96	8,460,022.74		11,869,005.96	8,460,022.74
		Service		
562,897.03	542,530.45	Grinnell Co., Inc., Supervisory	563,715.60	544,533.04
50,784.56	51,599.43	Grinnell Co., Inc., Inspections	50,353.75	51,929.17
613,681.59	594,129.88		614,069.35	596,462.21
$18,323,506.95	$12,514,355.31	**Total**	$16,857,326.07	$12,290,231.29
		Recap. By Companies		
$12,824,806.17	$8,819,478.43	Grinnell Company, Inc.	$11,977,395.16	$8,712,856.97
2,647,078.60	1,756,028.50	Grinnell Company of the Pacific	2,405,273.62	1,636,539.07
466,599.74	302,598.85	Columbia Malleable Castings Corp.	466,599.74	302,598.85
341,142.78	176,809.20	Hartwell Company, Inc.	126,160.18	160,385.70
205,532.32	.00	Daugherty Company, Inc.	131,327.32	.00
1,566,260.09	1,268,046.76	Grinnell Company of Canada, Ltd.	1,478,482.80	1,286,457.13
272,087.25	191,393.57	Ontario Malleable Iron Company, Ltd.	272,087.25	191,393.57
$18,323,506.95	$12,514,355.31	Total	$16,857,326.07	$12,290,23.29

Contracts On Hand and Uncompleted At Face

	Dec. 31, 1936	Dec. 31, 1935
Grinnell Company, Inc.	$1,410,607.25	$596.741.03
Grinnell Company of the Pacific	384,983.29	156,077.50
Hartwell Company, Inc.	310,494.00	95,615.00
Daugherty Company, Inc.	74,239.08	.00
Grinnell Company of Canada, Ltd.	90,343.82	1,757.16
	$2,270,667.44	$850,190.69

[fol. 6163] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-75(10)

GENERAL FIRE EXTINGUISHER CO.

Report of the Treasurer to the Board of Directors
For Twelve Months Ended December 31, 1937

[fol. 6164] Forty Fifth Annual Report to the Directors of the General Fire Extinguisher Co.

To the Directors:

The Treasurer presents herewith the Annual Report of business of the General Fire Extinguisher Company and its subsidiary companies for the twelve months ended December 31, 1937.

The Report includes the following:

1. Consolidated Earnings Statement
2. Consolidated Surplus
3. Consolidated Income Account, United States Companies
4. Consolidated Income Account, Canadian Companies
5. Comparative Consolidated Balance Sheets, United States Companies
6. Comparative Consolidated Balance Sheets, Canadian Companies
7. Comparative Report of Business

Respectfully submitted, L. W. Jones, Treasurer.

Providence, R. I., February 23, 1938.

[fol. 6165]

Consolidated Earnings Statement

General Fire Extinguisher Company and Subsidiary Companies

	Accumulative Jan. 1 to Dec. 31, 1937		Accumulative Jan. 1 to Dec. 31, 1936	4th. Quar. 1937 Separately		4th. Quar. 1936 Separately
Earnings or Losses:						
Consolidated U. S. Companies	$1,618,429.11	G.	$675,929.90	$204,506.12	G.	$235,843.29
Reserve for Taxes	316,223.76		115,262.35	96,336.74		47,865.79
Addition to Surplus	$1,302,205.35	G.	$560,667.55	$108,169.38		$187,977.50
Note: Depreciation Charges for the Period	$354,266.71		$367,905.61	$89,148.72		$91,147.08

Consolidated Earnings Statement

Grinnell Company of Canada, Ltd., and Subsidiary Companies

Earnings or Losses:						
Consolidated Canadian Companies	$347,314.86	G.	$136,411.41	$79,334.82	G.	$54,684.81
Reserve for Dominion Income Taxes	52,097.22		23,189.94	6,540.62		9,296.42
Addition to Surplus	$295,217.64	G.	$113,221.47	$72,794.20	G.	$45,388.39
Note: Depreciation Charges for the Period	$43,446.12		$41,967.88	$12,525.90		$10,457.26

Note: Does not include Intercompany Dividends of $400,000

[fols. 6166-6168]

Consolidated Surplus

General Fire Extinguisher Company and Subsidiary Companies
(Including equity in entire Net Worth of all Subsidiaries)

		December, 1937		December, 1936	
Consolidated Surplus, January 1st			$6,567,583.12		$6,366,155.07
Less: Common Stock Dividend Declared					
	Jan. 8				
	Feb. 17	$ .00			
	May 19	100,000.00		$50,000.00	
	Aug. 20	125,000.00		50,000.00	
	Nov. 17	125,000.00		50,000.00	
	Dec. 16	150,000.00		100,000.00	
		500,000.00		100,000.00	
				150,000.00	
			1,000,000.00		500,000.00
			$5,567,583.12		$5,866,155.07
Add: Federal Tax Reserve Adjustment			.00		716.93
Unused Reserve			38.14		14,309.48
			$5,567,621.26		$5,881,181.48
Earnings Current Year:					
Consolidated U. S. Companies					
Reserve for Taxes (estimate)		$1,618,429.11		$675,929.90	
		316,223.76		115,262.35	
			1,302,205.35		560,667.55
			$6,869,826.61		$6,441,849.03
Earnings Current Year:					
Consolidated Canadian Companies					
Dominion Income Tax (estimate)		$347,314.86		$136,411.41	
		52,097.22		23,189.94	
Add: Unused Mortgage Reserve		295,217.64		113,221.47	
		.00		12,512.62	
			295,217.64		125,734.09
Consolidated Surplus December 31st			$7,165,044.25		$6,567,583.12

[Exhibit 6169-6170]

Comparative Consolidated Balance Sheets

General Fire Extinguisher Company and U. S. Subsidiary Companies

Assets

	December 31, 1937	December 31, 1936	
Current Assets:			
Cash	$880,145.25	$978,958.96	$807,759.85
Accounts Receivable	1,969,192.74	2,229,581.95	1,815,748.58
Notes and Acceptances Receivable	85,122.22	86,122.22	19,023.92
Inventories and Contracts in Process	5,157,340.18	5,678,194.57	3,543,929.78
Total Current Assets	8,071,800.39	8,972,857.70	6,186,462.13
Investments:			
Contract Installments Not Due	1,562.00	1,973.69	7,669.89
Due from Canadian Subsidiaries	.00	.00	184,016.40
Investment in Canadian Companies	1,470,703.30	.00	1,175,485.66
Stocks, Bonds and Other	153,795.00	153,796.00	165,968.00
Total Investments	1,626,060.30	155,769.69	1,533,139.95
Fixed Assets:			
Land and Buildings	5,091,688.58	6,098,835.66	5,012,777.27
Machinery and Operating Equipment	5,434,433.98	6,704,463.44	5,212,638.36
	10,526,122.56	12,803,299.10	10,225,415.63
Less: Depreciation Reserve	6,739,920.53	8,373,864.85	6,521,643.85
Total Fixed Assets	3,786,202.03	4,429,434.25	3,703,771.78
Patents	3,262.35	3,262.35	3,666.20
Good Will	1,000,001.00	1,000,001.00	1,000,001.00
Other Assets:			
Mortgage Rec'v (net)		8,600.00	
Prepaid Items and Deferred Charges	277,101.69	304,506.59	146,445.34
Deferred Accounts Receivable	15,866.64	15,866.64	10,066.80
Sundry Accounts Receibable Suspense	44,533.02	45,412.36	28,886.71
Total Other Assets	337,501.35	374,385.59	185,398.85
Total Assets	$14,824,827.42	$14,935,710.58	$12,612,439.91

Liabilities and Capital

Current Liabilities:			
Notes Payable	1,300,000.00	1,300,000.00	.00
Accounts Payable	304,269.77	339,975.33	495,848.12
Taxes and Other Accruals	443,762.86	510,302.24	212,254.17
Total Current Liabilities	2,048,032.63	2,150,277.57	708,102.29
Indebtedness to Grinnell Co. of Canada	64,691.07		.00
Advance Payments (Self Liquidating)	147,431.62	147,431.62	152,817.33
Income Tax Reserves (Fed'l & State)	316,223.76	368,320.98	177,397.26
Other Reserves	83,404.09	104,636.16	6,539.91
Net Worth			
Represented by 500,000 Shares No Par outstanding (700,000 Authorized)	12,165,044.25	12,165,044.25	11,567,583.12
Total Liabilities and Capital	$14,824,827.42	$14,935,710.58	$12,612,439.91

Comparative Report of Business

By Companies and Divisions
For Twelve Months Ended December 31

Closed 1937	Closed 1936		Finished 1937	Finished 1936
		Fire Protection		
		Contracts and Day Work:		
$4,086,398.23	$2,879,991.62	Grinnell Company, Inc.	$3,730,408.89	$2,163,304.41
476,960.09	630,525.61	Grinnell Company of the Pacific	565,947.74	388,720.63
284,578.67	202,781.68	Grinnell Company of Canada, Ltd.	284,776.88	115,004.39
4,847,936.99	3,713,298.91		4,581,133.51	2,667,029.43
		Specialty Sales		
245,729.58	200,201.38	Grinnell Company, Inc.	245,729.58	200,201.38
26,015.64	14,388.01	Grinnell Company of the Pacific	26,015.64	14,388.01
40,247.79	34,406.64	Grinnell Company of Canada, Ltd.	40,247.79	34,406.64
311,993.01	248,996.03		311,993.01	248,996.03
		Heating and Industrial Piping		
		Contracts and Day Work:		
2,786,551.36	754,818.91	Grinnell Company, Inc.	2,470,182.63	665,683.53
253,069.07	341,142.78	Hartwell Company, Inc.	343,078.12	126,160.18
210,669.16	205,532.32	Daugherty Company, Inc.	234,379.58	131,327.32
3,250,289.59	1,301,494.01		3,047,640.33	923,171.03
		Humidification		
469,005.33	366,572.03	Contracts and Day Work	552,540.33	324,595.85
292,077.00	210,458.42	Sale of Apparatus	292,077.00	210,458.42
761,082.33	577,030.45		844,617.33	535,054.27
		Supply and Direct Sales		
9,499,639.96	7,799,082.22	Grinnell Company, Inc.	9,499,639.96	7,799,082.22
2,733,037.45	2,002,164.98	Grinnell Company of the Pacific	2,733,037.45	2,002,164.98
1,836,415.69	1,329 071.77	Grinnell Company of Canada, Ltd.	1,836,415.69	1,329,071.77
14,069,093.10	11,130,318.97		14,069,093.10	11,130,318.97
		Miscellaneous Sales		
518,141.18	466,599.74	Columbia Malleable Castings Corp.	518,141.18	466,599.74
290,710.97	272,087.25	Ontario Malleable Iron Company, Ltd.	290,710.97	272,087.25
14,877,945.25	11,869,005.96		14,877,945.25	11,869,005.96
		Service		
576,005.84	562,897.03	Grinnell Co., Inc., Supervisory	576,419.92	563,715.60
49,233.36	50,784.56	Grinnell Co., Inc., Inspections	49,204.99	50,353.75
625,239.20	613,681.59		625,624.91	614,069.35
$24,674,486.37	$18,323,506.95	**Total**	$24,288,954.34	$16,857,326.07
		Recap. By Companies		
$18,004,640.66	$12,824,806.17	Grinnell Company, Inc.	$17,416,203.30	$11,977,395.16
3,236,013.18	2,647,078.60	Grinnell Company of the Pacific	3,325,000.83	2,405,273.62
518,141.18	466,599.74	Columbia Malleable Castings Corp.	518,141.18	466,599.74
253,069.07	341,142.78	Hartwell Company, Inc.	343,078.12	126,160.18
210,669.16	205,532.32	Daugherty Company, Inc.	234,379.58	131,327.32
2,161,242.15	1,566,206.09	Grinnell Company of Canada, Ltd.	2,161,440.36	1,478,482.80
290,710.97	272,087.25	Ontario Malleable Iron Company, Ltd.	290,710.97	272,087.25
$24,674,486.37	$18,323,506.95	Total	$24,288,954.34	$16,857,326.07

Contracts On Hand and Uncompleted At Face

	Dec. 31, 1937	Dec. 31, 1936
Grinnell Company, Inc.	$1,974,870	$1,410,607
Grinnell Company of the Pacific	296,158	384,983
Hartwell Company, Inc.	220,485	310,494
Daugherty Company, Inc.	50,391	74,239
Grinnell Company of Canada, Ltd.	93,094	90,343
	$2,634,998	$2,270,666

[fol. 6172] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-76

DEFENDANT GRINNELL'S EXHIBIT No. —

Plaintiff's Answers to Certain Interrogatories of Alarm Company Defendants

Interrogatory No. 134: State whether the Antitrust Division of the Department of Justice conducted an inquiry in 1953 into the proposed acquisition by Grinnell of a majority stock interest in ADT.

(a) If affirmative, state the date on which the inquiry commenced.

Answer to Interrogatory No. 134: Yes. June 18, 1953.

Interrogatory No. 135: State when such inquiry was closed or suspended.

Answer to Interrogatory No. 135: The inquiry was suspended on July 23, 1953.*

Interrogatory No. 138: State whether the Antitrust Division of the Department of Justice requested orally or in writing, at or about the date stated in the answer to interrogatory number "134 (a)", that it be furnished with information relating to the operations of and relations among each or any of the defendants.

[fol. 6173] *Answer to Interrogatory No. 138:* On June 29, 1953, a standard request for financial information and trade data was addressed to J. D. Fleming, President, Grinnell Corporation, 260 West Exchange Street, Providence 1, Rhode Island. The files also indicate that oral requests were made for other data during July, 1953.**

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*A copy of Hon. Stanley N. Barnes letter of July 23, 1953 to Mr. Fritz is annexed hereto as Appendix A to this Exhibit.

**A copy of the June 29, 1953 letter request from the Honorable Stanley N. Barnes to Mr. Fleming is annexed hereto as Appendix B to this Exhibit.

Interrogatory No. 139: If the answer to interrogatory "138" is affirmative,

(a) Identify the persons in the Department of Justice who prepared such requests. *Answer:* Bernard Wehrmann, Ephraim Jacobs.

(b) State the date of such requests. *Answer:* June 29, 1953, oral requests were made during July 1953.

(c) State fully the nature of the information requested.

Answer: Grinnell was asked the following:

1. Describe, in general terms, the nature of the business and operations of Grinnell Corporation and the American District Telegraph Company;

2. List and describe each product made and sold, and each service rendered, by each of these companies;

[fol. 6174] 3. Describe the geographical trade area in which each company sells its product or service, and state for each area the net sales of each of the products or services referred to in (2) above sold by each company during each of the years 1950 to 1952, inclusive;

4. Name the principal competitors of each company in each trade area listing the products or services of each which are comparable to those of the companies involved in this acquisition and the net sales by each such competitor for each such product or service in each of the years 1950 to 1952, inclusive;

5. Explain the reasons for the present acquisition.

The other information furnished was done so pursuant to oral request of which there is no record other than the material supplied in response thereto as set out in (d) below.

(d) Set forth in detail with respect to each defendant the information furnished by it or its representatives to the Antitrust Division of the Department of Justice in response to such request and the date when such information was received by the Department of Justice. *Answer:* The following information was furnished by Mr. Frank A. Fritz to the Division:

Copies of *Grinnell Annual Report* 1952 received August 13, 1953; Copy of report entitled *Grinnell—100*

[fol. 6175] *Years of Piping Progress* received August 12, 1953; *Underwriters Laboratories, Inc., Accident Automotive and Burglary Protection Equipment Lists,* received August 3, 1953; agreement between the Western Union Telegraph Company and Grinnell Corporation dated July 23, 1953; also letter dated July 13, 1953, from Frank A. Fritz to Ephraim Jacobs sets forth information received by the Department; * AFA financial statements, December 31, 1952.

Interrogatory No. 141: State whether memoranda and analyses of information described in answer to interrogatory number "139 (d)" were made by persons in the Antitrust Division of the Department of Justice.

Answer to Interrogatory No. 141: Yes.

Interrogatory No. 142: State when, with regard to the inquiry conducted in 1953, a decision was made within the Antitrust Division of the Department of Justice relating to action to be taken by said Department in response to the information described in answer to interrogatory number "139 (d)".

Answer to Interrogatory No. 142: July 23, 1953.

[fol. 6176] *Interrogatory No. 143:* Identify the persons then within the Antitrust Division of the Department of Justice who formulated the decision specified in answer to interrogatory "142".

Answer to Interrogatory No. 143: It is assumed that Ephraim Jacobs and Edward Hodges were responsible for formulating the decision to suspend the inquiry.

Interrogatory No. 144: State whether any person in the Antitrust Division of the Department of Justice communicated orally or in writing with any representative of Grinnell or ADT, during the period covered by answer to interrogatories number "134 (a)" and "135".

Answer to Interrogatory No. 144: Yes.

Interrogatory No. 145: If so, as to each such communication, state, (a) whether oral or written, (b) the date, (c) substance of communication if oral?

Answer to Interrogatory No. 145: (a) (b) (c) Letter from

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* A copy of Mr. Fritz's July 13, 1963 letter to Mr. Jacobs is annexed as Appendix C to this Exhibit.

the Honorable Stanley Barnes to J. D. Fleming dated June 29, 1953; Letter from Frank A. Fritz to Ephraim Jacobs dated July 13, 1953, shows data received which was requested by Jacobs, but there is no record of what Jacobs requested; a memorandum indicates that the following information was received in July:

[fol. 6177] 1. Estimated revenue for 1952 for each type of service in each city in which Holmes and AFA operate and the revenue of each of the latter companies for each such service in each such city.

2. The number and names of the principal competitors for each service in each city.

3. Copies of 1907 agreements to which Grinnell and ADT are parties.

4. Total ADT purchases of supplies and equipment.

5. Balance sheets and income statements for 1952 for AFA, Holmes and ADT.

6. Copies of merger agreements between ADT and Grinnell.

7. Brochures describing Grinnell's business.

8. List of Grinnell's principal competitors.

9. List of ADT controlled corporations.

10. 1952 Annual Report of Grinnell.

11. Fire and Burglary Protection Equipment Lists of Underwriters Laboratories, Inc.

At a conference on July 10, 1953, Mr. Fritz informed the Department of the following:

Mr. Fritz stated that Grinnell Corporation is not engaged in the same field of commerce as ADT; that Grinnell in 1949 [fol. 6178] acquired 87% of the stock of AFA and in 1950 acquired all of the stock of Holmes; that Holmes was organized in 1853 and provides burglary protection in the form of a patrol service and an electrical alarm service, the latter being the more important of the two; that electrical alarm service consists of a signal sent from the protected premises to the company's central station through wires leased from telephone companies, actuated by devices installed on the protected premises; that upon receipt of the signal the central station sends its man to the premises to take appropriate action; that Holmes operates this service in New

York, Philadelphia and Pittsburgh. According to Mr. Fritz, Holmes operates exactly as it did prior to its acquisition by Grinnell.

AFA provides a fire alarm service in New York, Philadelphia and Boston. This service like the burglary protection alarm is based on a signal to a central station. Upon receipt of the signal the central station notifies the fire department. The service consists of two types: Automatic fire alarm service and sprinkler supervisory service. The difference between the two lies in the device actuating the signal: In the former a thermometer, installed on the premises, sends the signal when the temperature reaches a certain degree; in the latter the signal is actuated when water is discharged by the sprinkler system.

[fol. 6179] ADT services are more inclusive than those of either Holmes or Automatic Fire Alarm Co., in that ADT supplies all the services furnished by Holmes and Automatic, as well as a night-watchman service. ADT of New Jersey controls 48 ADT corporations in 36 states, each such operation being incorporated in the state in which it operates.

Customers of Holmes, Automatic Fire Alarm Co., ADT, or other such companies receive discounts on burglary and/or fire insurance, the size of the discount depending on the rating assigned by Underwriters Laboratories to the protection company used.

The devices used by Holmes, Automatic Fire Alarm and ADT are, for the most part, supplied by outside manufacturers. Holmes makes some actuating devices. Grinnell makes no devices for Holmes, and makes only switches for Automatic Fire Alarm Co. Grinnell also supplies ADT with sprinkler actuating devices. ADT manufactures nothing which Grinnell manufactures. According to Mr. Clapp, all patents applicable to the business of these companies have expired, and no element of patent control is involved.

It was Mr. Fritz's view that ADT's and Holmes' services in New York, Philadelphia and Pittsburgh do not substantially overlap, and that this is due to Holmes getting there first and cornering the available business so that ADT could not profitably operate in the area. No clear answer was [fol. 6180] given to the question of why Holmes has confined its activities to the three cities mentioned; it was

pointed out by Mr. Clapp that Holmes had sometimes gone outside of these cities.

According to Mr. Fritz, Automatic Fire Alarm Co. and Holmes now operate as they did prior to their acquisition by Grinnell. Mr. Clapp stated that out of seven directors on the board of each of these subsidiaries, four are also on the board of Grinnell. He explained Grinnell's interest in acquiring Automatic, Holmes and ADT in terms of the fact that Grinnell's principal business (plumbing, pipes, sprinkler systems) is tied to the fortunes of the construction business: That business is susceptible to recessions and depressions whereas the burglar and fire alarm supervision business is depression proof. The acquisition of ADT would therefore be a further hedge against depressions. Grinnell's intention, according to Mr. Clapp, is to operate ADT as it was operated prior to the acquisition, and to merely collect dividends on its stock, which will amount to 62% of all the stock of ADT. He further stated that no advantage will accrue to Holmes, Automatic, or ADT as a result of this acquisition. Grinnell will not engage in tying sales between its sprinkler systems and the supervision systems; it will recommend to its sprinkler system customers that they use Automatic's or ADT's supervision system, but will not attempt to tie one to the other.

[fol. 6181] *Interrogatory No. 156:* With respect to the periods of time covered by the 1953 and 1955 inquiries, state whether any persons in the Antitrust Division of the Department of Justice met and conversed with representatives of Grinnell and ADT.

Answer to Interrogatory No. 156: Yes.

Interrogatory No. 157: If the answer to interrogatory number "156" is affirmative

(a) State the identities of all persons present at each such meeting

(b) The date of each such meeting

(c) Place of each such meeting

(d) State the substance of what was said by each person at each such meeting.

Answer to Interrogatory No. 157: On July 6, 1953, Edward M. Feeney met with Roger Clapp in the offices of the Grinnell Corporation. Mr. Feeney explained to Mr. Clapp

that the Antitrust Division usually inquired into mergers [the Grinnell-ADT merger had appeared in the *Boston Herald* of June 25, 1953] as a matter of form and that his visit was not to be construed as an indication that Grinnell had been engaged in any improper activity or conduct. Mr. Feeney asked Mr. Clapp if he could furnish a copy of the acquisition agreement and whether he could give the [fol. 6182] Department a statement of the products manufactured by, and the territory of, American District Telegraph Company and Holmes Electric Protective Company. Mr. Clapp then showed Mr. Feeney a letter from the Washington office of the Antitrust Division dealing with same subject but in a more detailed manner. Mr. Feeney told Mr. Clapp that, in view of the fact that he had received the letter from Washington, he should ignore the requests that Mr. Feeney had made and that he should furnish Washington with the information requested in the letter. Mr. Clapp told Mr. Feeney that he was assembling the material asked for in the letter and that he would forward the data to Washington as soon as it was compiled.

The following is a summary of the conference in the Department of Justice on July 10, 1953, attended by Messrs. Jacobs, Duffner, Melchior and Wehrmann, and Roger Clapp, counsel for Grinnell Corporation, and Frank A. Fritz of Bleakley, Platt, Gilchrist & Walker. Mr. Fritz had been retained by Mr. Clapp.

Mr. Fritz stated initially that Grinnell Corporation is not engaged in the same field of commerce as American District Telegraph Company. However, he advised that Grinnell in 1949 acquired 87% of the stock of Automatic Fire Alarm Company, and in 1950 acquired all of the stock of Holmes Electric Protective Company.

[fol. 6183] Holmes was organized in 1853, and provides burglary protection in the form of a patrol service and an electric alarm service, the latter being the more important of the two. The electric alarm service consists of a signal sent from the protected premises to the company's central station through wires leased from telephone companies and actuated by a device installed on the protected premises. Upon receipt of the signal the central station sends its men to the premises to take appropriate action. Holmes operates this service in New York, Philadelphia and Pittsburgh.

According to Mr. Fritz, Holmes now operates exactly as it did prior to its acquisition by Grinnell.

Automatic Fire Alarm Company provides fire alarm service in New York, Philadelphia and Boston. This service, like the burglary protection service, is based on a signal to a central station. Upon receipt of the signal the central station notifies the fire department. The service consists of two types: Automatic fire alarm service and sprinkler supervision service. The difference between the two lies in the device actuating the signal: In the former, a thermometer, installed on the premises, sends the signal when the temperature reaches a certain degree; in the latter the signal is actuated when water is discharged by the sprinkler system. [fol. 6184] ADT services are more inclusive than those of either Holmes or Automatic Fire Alarm Company, in that ADT supplies all the services furnished by Holmes and Automatic as well as a night-watchman service. ADT of New Jersey controls 48 ADT corporations in 36 states, each such operation being incorporated in the state in which it operates.

Customers of Holmes, Automatic Fire Alarm Company, ADT, or other such companies receive discounts on burglary and/or fire insurance, the size of the discount depending on the rating assigned by Underwriters Laboratories to the protection company.

The devices used by Holmes, Automatic Fire Alarm, and ADT are, for the most part, supplied by outside manufacturers. Holmes makes some actuating devices. Grinnell makes no devices for Holmes, and makes only switches for Automatic Fire Alarm Company. Grinnell also supplies ADT with sprinkler actuating devices. ADT manufactures nothing which Grinnell manufactures. According to Mr. Clapp, all patents applicable to the business of these companies have expired, and no element of patent control is involved.

It was Mr. Fritz's view that ADT's and Holmes' services in New York, Philadelphia and Pittsburgh do not substantially overlap, and that this is due to Holmes getting there [fol. 6185] first and cornering the available business so that ADT could not profitably operate in the area. No clear answer was given to the question of why Holmes has confined its activities to the three cities mentioned. It was

pointed out by Mr. Clapp that Holmes had sometimes gone outside of these cities.

According to Mr. Fritz, Automatic Fire Alarm Company and Holmes now operate as they did prior to their acquisition by Grinnell. Mr. Clapp stated that out of seven directors on the board of each of these subsidiaries, four are also on the board of Grinnell. He explained Grinnell's interest in acquiring Automatic, Holmes and ADT in terms of the fact that Grinnell's principal business (plumbing, pipes, sprinkler systems) is tied to the fortunes of the construction business and that the business is susceptible to recessions and depressions. Grinnell's intention, according to Mr. Clapp, is to operate ADT as it was operated prior to the acquisition, and to merely collect dividends on its stock, which will amount to 62% of all the stock of ADT. He further stated that no advantage will accrue to Holmes, Automatic or ADT as a result of this acquisition. Grinnell will not engage in tying sales between its sprinkler systems and the supervision systems; it will recommend to its sprinkler system customers that they use Automatic's or ADT's supervision system, but will not attempt to tie one to the other.

[fol. 6186] Messrs. Clapp and Fritz agreed to submit certain information requested by us. This information has been received and consists of the following:

(1) Estimated industry revenue for 1952 for each type of service in each city in which Holmes and Automatic Fire Alarm Co. operate, and the revenue of each of the latter companies for each such service in each such city.
(2) The number and names of the principal competitors in each service in each city.
(3) Copies of certain agreements to which Grinnell and ADT are parties.
(4) Total ADT purchases of supplies and equipment.
(5) Balance sheets and income statements for 1952 of Automatic, Holmes and ADT.
(6) Copy of merger agreement between ADT and Grinnell.
(7) Brochure describing Grinnell's business.
(8) List of Grinnell's principal competitors.

(9) List of ADT controlled corporations.
(10) 1952 annual report of Grinnell.
(11) Fire and Burglary Protection Equipment Lists of Underwriters Laboratories, Inc.

[fol. 6187] APPENDIX A

CLERK'S NOTE:

Appendix A to Defendant's Exhibit J-76, Letter dated July 23, 1953 from Stanley N. Barnes, Assistant Attorney General to Frank A. Fritz" is omitted from the record here. It is printed at page 6057 supra.

[fols. 6188-6189] APPENDIX B

CLERK'S NOTE:

Appendix B to Defendant's Exhibit J-76, "Letter dated June 29, 1953 from Stanley N. Barnes, Assistant Attorney General to J. D. Fleming" is omitted from the record here. It is printed at page 6052 supra.

[fols. 6190-6194] APPENDIX C

CLERK'S NOTE:

Appendix C to Defendant's Exhibit J-76 "Letter dated July 13, 1953 from Frank A. Fritz to Ephraim Jacobs, Department of Justice, Antitrust Division" is omitted from the record here. It is printed at page 6058 supra.

[fol. 6195] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT J-77

Balance Sheets

Automatic Fire Alarm Company of Delaware
June 30, 1948

I. As reported to Board

Assets		Liabilities	
Cash	$8,500.27	A/C Payable	$4,090.69
Treasury Notes	181,488.00	Accrued Taxes	375.00
Loan Rec. (Reeve Co.)	13,000.00	Res. for Fed. Tax	1,650.00
		Cap. Stock (less treasury stock)	1,582,072.00
Mortgage (416 Broadway)	180,143.75	63,300 shares par $25	
Investment in operating companies	1,122,054.00	Surplus	439,323.81
Reeve Co. stock	300.00		
34,223 sh. Grinnell @ 15¼†	522,025.48		
	$2,027,511.50		$2,027,511.50

Net worth $2,021,395.81
Per share approx. $32

63300

P & W	32000	Market 10/13/48
Cowles	4000 ±	100 offered @ $25 (Mitchell & Co)
Wilk	17000 ±	(Handwritten)
	43000	

(Handwritten)

[fol. 6196] II. Pro Forma

After giving effect to:

1. Pending consolidation of the three operating companies.

2. Elimination of asset item of "Contracts, Franchises and Goodwill" from operating company balance sheets.

3. Revaluation of Grinnell stock @ 30.

Assets		Liabilities	
Cash	$8,500.27	Accounts Payable	$4,090.69
Treasury Notes	181,488.00	Accrued Taxes	375.00
Loan Rec. (Reeve)	13,000.00	Fed. Tax Reserve	1,650.00
Mortgage (416 Broadway)	180,143.75*	Cap. Stock (63,300 shares @ par of $25)	1,582,500.00
63,300 shares of Auto. Fire Alarm Co. (N.Y.) at book net worth (par $10)	761,539.27	Surplus	583,045.60
Reeve Co. stock 34,223 shares	300.00	(Total book consolidated net worth $846.435.91 of AFA—N.Y.—after merger (Handwritten)	
Grinnell @ $30	1,026,690.00		
	$2,171,661.29		$2,171,661.29

Net worth $2,165,545.60
Per share $34.21

(*) Present balance $179,450. Deal pending to reduce this to a $20,000 second mortgage—producing present cash of $159,450 for Delaware Company.

[fol. 6197] Net Income

Automatic Fire Alarm Company of Delaware

	1947	6 mos. 1948
Dividends from operating companies	$30,486.70	$13,142.80*
Dividend from Grinnell	68,446.00	17,111.50
Interest received	9,913.73	5,109.20
Gross Income	108,846.43	35,363.50
Expenses	2,491.12	2,170.32
Net Income before Fed. Taxes	106,355.31	33,193.18
Fed. Taxes	4,550.00	1,650.00
Net Income after Taxes	$101,805.31**	$31,543.18

(*) No dividend paid on Consolidated Fire Alarm Co. preferred due to pending merger. Dividends received from Consolidated Fire Alarm Co. for 1947 were $5,343.90.

(**) A final liquidating dividend from Automatic Bldg. Inc. of $4,083.71 omitted as abnormal from above figures.

Assuming Grinnell 1948 dividend @ $2 net income projected for year 1948 would equal $97309.36—or (assuming $5000 Consol. dividends) $102,309 = $1.61 per share or 5.3% on $30. (Handwritten)

[fol. 6198] Consolidated Net Income

Automatic Fire Alarm Co. of Delaware and Subsidiaries
After Depreciation and Taxes

	1947	6 mos. 1948
A. F. A. (N.Y.) - wholly owned -	$ 43,419.91	$20,037.73
Consol. Fire Alarm (their share)	12,283.54	11,283.45
Boston A. F. A. Co. (their share)	17,928.02	8,464.75
Grinnell Dividends	68,446.00	17,111.50
Interest Received	9,913.73	5,109.20
	$151,991.20	$62,006.63
Expenses and Taxes (Del. Co.)	8,589.71*	3,820.32
Net Income	$143,401.49	$58,186.31

(*) Including a loss of $998.59 on closing operations of Automatic Bldg. Inc.

Note: Assuming other items continue at same rate and total Grinnell dividend for 1948 $2 per share, above figures for 6 mos. 1948 will show net for year 1948 after depreciation and taxes of approximately $150,600.

Indicated current earnings (per above) per share of A.F.A. (Del.) of $2.37 of which $1.08 is derived from Grinnell dividends. On a basis of $30 per A.F.A. share $2.37 is 7.9%.

Each share of A.F.A. (Del.) represents approximately $\frac{34}{63}$ share of Grinnell stock. Taking Grinnell at $30 and assuming a price of $30 for A.F.A. stock (including Grinnell) price for A.F.A. stock *excluding* Grinnell should be $30 less $16.20, or $14.80. On a basis of $14.80 for A.F.A. stock (less Grinnell) earnings per share (excluding dividends from Grinnell) of $1.29 is 8.7%.

[fol. 6199] Operating Companies Only
(after merger)

If it comes to buying the newly consolidated operating company only there are two ways this could be approached —having in mind that when the merger is completed A.F.A. (Del.) will own 63,300 shares out of 70,356 of the operating company, or approximately 90%. This percentage will probably be increased, depending on how many present

minority stockholders of the Consolidated Fire Alarm Company finally insist on cash instead of stock in the new Company. Several have so indicated (principally E. S. Graves).

I. We could buy all their stock in the operating company (63,300 shares) from A.F.A. (Del.). Assuming that it would then keep liquid net assets of about $353,000 (assuming the mortgage reduction deal goes through), an account receivable of $13,000, a second mortgage of $20,000—say $385,000 in all plus 34,223 shares of Grinnell at $30, or $1,027,000—a total of $1,380,000, or about $21.80 per share—the operating companies 90% control should be worth (assuming $30 for A.F.A. stock as is) about $6.20 per A.F.A. share, or $392,460—as compared with a book value of $761,539.

II. They would liquidate to their stockholders—share for share—their stock in the operating company, in which case Payson and Webster would get approximately 51% of their 63,300 shares, or 32,280 shares. This would not at present give control since over 50% of 70,356 shares, or 35,179, would be needed. However, as above pointed out, settlement with dissenting minority stockholders may substantially cut down the total outstanding stock of the new company [fol. 6200] without disturbing the A.F.A. (Del.) holdings. If, for example, 6,000 shares were so eliminated, then total outstanding stock would be reduced to 64,356 and Payson and Webster's 51%, or 32,280, would give bare control.

Figures

Cost of 51% of A.F.A. (Del.) stock, or 32,283 shares, at $30 is $968,490. We would then own a 51% interest in 34,223 Grinnell shares, or (at $30 per Grinnell share) $523,600, and a 51% interest in net liquid assets (Cash, Treasury Notes and Mortgage proceeds, totalling $353,000), amounting to $176,500.

$523,600
176,500
$700,100

Cost of 51% of A.F.A. (Del.) stock (not including Grinnell stock) at say $15 a share is $484,245. This would include above 51% interest in liquid assets of about $176,500.

Cost of control stock (approximately 90%) of operating company alone at, say, $6.20 per A.F.A. share would be $392,420.

Cost of bare control of operating companies on same basis would be approximately $218,000.

Cost of 90% control stock at book value—$761,539.

[fol. 6201] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT A9

WASHINGTON, D. C.

December 15, 1952.

Mr. J. B. Bodley,

As info H. R. Eakin, 12/16/52 (Handwritten).

Mr. H. R. Eakin
Plant Superintendent

Competition—Washington, D. C.

The Grinnell Company are installing Sprinkler Supervisory switches on sprinkler systems for Federal Engineering Co. in and around Washington. The switches are furnished by Federal Engineering Co. and installed by Grinnell Co. on a "Day Work Order".

This arrangement seems a little unusual since the Grinnell Co. are furnishing and installing SS&WF Devices for A.D.T.

/s/ J. L. Hardesty.

[fol. 6202] WASHINGTON, D. C.

December 22, 1952.

Mr. A. E. Smith

Federal Engineering Co., Inc., Washington, D. C.

You will be interested to know that the Grinnell Company are now installing SS and WF devices furnished by the above for use in connection with the operation of this competitive service. Our advice indicates that such is being done merely on a contract basis under authorizations received from Federal Engineering Company.

J. B. Bodley, Commercial Superintendent.

JBB/mms

[fol. 6203] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT A13

September 29, 1953.

Mr. J. A. MacDonald
Vice President

Westchester County

We are submitting the following information for your review and consideration.

We are confronted with the problem of rendering an improved service in Westchester County and it seems that here, too, we must arrange for a guard station.

Since Circular No. 9 was issued, our gain in revenue in Westchester County has been measurably slowed because local Burglar Alarm competition provides direct-connected systems at a much lesser charge than we do and *Gamewell* connections are permitted.

We now have 95 contracts with subscribers in all of Westchester County, at a total annual revenue of $51,634. The attached listing indicates the subscribers and services involved. Of the 95 contracts there are 56 that cover modified service with subscribers, involving $38,125.25 in annual

service charges, almost all of which were secured prior to the issuance of Circular No. 9. The remaining 43 contracts cover direct-connected and local systems involving $13,508.77 in annual service charges.

We have been made aware of the efforts of Central Station Signals who are soliciting business in Westchester County and it becomes imperative that we protect our present revenue totalling $51,634. and to encourage the new business potential amounting to $23,670. which is indicated in an attached list.

Also attached, you will find a map prepared for study of this problem, which has been reviewed by the Operating Department and we are attaching their comments relative to the establishment of a guard station in Westchester County.

[fol. 6204] The potential shown in the attached list, amounting to $23,670. is only that which is immediately available providing a guard station is established and we can render central station service. This amount of potential by no means represents the total business in this area which is constantly growing.

The following is a list of important companies who are known to be either in the process, or considering establishing new headquarters in Westchester County:

Alexander Smith
Best Foods
New York Bell Telephone
General Foods
Union Carbon & Carbide
Nestle Company
Guardian Life Insurance Company

Mr. Rustic in his letter dated July 15 on this subject, indicates the cost for the establishment of a guard station in Westchester County to be $12,788.80.

You may recall that several years ago we operated a guard station in the Bronx. It has become increasingly difficult to service the Bronx and Westchester County areas from the present service facility at 23rd Street central station. A guard station established in Yonkers, as recommended by Mr. Rustic, will relieve this condition and enable us to increase the revenue in Westchester County which

is now already in the category of several of our existing central stations.

We have the necessary man power available and the potential exists, so that we could immediately begin solicitation of business in this area and gain the advantage of having central station service available on a standard basis, thereby making it difficult, if not improbable, for competition to gain such an advantage.

[fol. 6205] It is to be understood that for the time being, we would limit Burglar Alarm solicitation to the 4 mile radius as indicated on the attached map but would apply the limitations of Circular No. 9 for Modified Fire Alarm Services.

We urgently require a guard station in Westchester County and solicit your concurrence and approval.

A. E. Smith, General Commercial Manager.

RD

[fol. 6206] New York, N. Y.

September 14, 1951.

Mr. A. E. Smith,
General Commercial Manager

Modified Central Station Burglar Alarm Service

Since receiving your letter of August 23, 1951 relative to the above subject, all of our Commercial Representatives have been notified in writing of this new ruling. The reaction of each of the men involved indicates complete disappointment, and some of them have written reports in defense of what they have been doing in the past in connection with this particular type of service. It is not difficult to understand their disappointment because salesmen must sell in order to hold their positions and any adverse ruling would quite naturally bring about an outspoken indication of their opinions.

Your letter does indicate that there may remain some semblance of hope for us in this matter, since you mentioned that we are to cease rendering modified Burglar Alarm service pending a complete review and study of the operating problems brought about by this type of service. We

have had no information with respect to why this type of service is not desirable, but we assume there must have been some definite difficulty encountered here or in some other district that brought about the present condition.

We have been engaged in the sale of our services in Westchester County area for a great many years, during which time we have been harassed by the local alarm companies who direct-connect their burglar alarm installations for a very nominal fee. The same applies to our efforts in connection with the sale of fire alarm service in this area. We have been continuously outsold by the Gamewell Fire Alarm Company who sell their Gamewell Vigilarm which is directly connected to the local fire departments throughout Westchester.

In spite of this difficult competition, we have nevertheless succeeded in securing 84 contracts in this area which total approximately $45,000 in recurring annual rentals and it is expected that with the constant growth of this area we should, within a short period of time, reach an annual service charge of about $50,000.

I expect that most members of our organization are aware of the constant and rapid growth of the suburban areas surrounding Greater New York City. However, may I mention that on Wednesday, August 22, 1951, the New York Herald Tribune contained an article concerning this part of New York State, in which is claimed that the industrial growth of this area brought about an increase in factory workers of 68% in an eight year period. This can be more than favorably compared with a 46% increase throughout the rest of New York State. The article also makes mention of the fact that the number of factory establishments in this area has almost doubled in the same period of time and points out that this county has a population of 623,000 people.

[fol. 6207] Visualize, if you will, what this industrial expansion means to the buying power of these people and what a terrific increase there has been in consumers who are brought to such centers as White Plains and the surrounding cities for the purchase of all of their needs. This naturally results in the growth of those who fulfill consumer needs; stores, factories, and similar establishments.

There is little doubt that Westchester County will con-

tinue to grow, nor is there any doubt that the potential of premises needing protection services will grow with the area. With the present interdicts and limitations of the types of service A. D. T. can render in this area, there is, it would appear, very serious doubt that this company can grow along with the county. If proper steps were initiated, however, we might well be in a position to not only render valuable protection services to an area which obviously will be in need of them, but also we could most certainly vastly increase the amount of our recurring annual service charges. If the experts are correct in predicting that Westchester County will in a few short years be one of this area's most impressive industrial sections, it would seem hazardous for this company to fail to prepare for reaping the harvest of sales. In my opinion, if the present situation continues to exist, we are definitely exposed to the loss of a large potential, and to the strengthening of our competition's toehold in this locality.

My own recommendation for coping with this problem is predicated on the vast potential of this area, and consequently, I suggest that we re-establish the guard station formerly located in the Bronx. Such guard service would eliminate the necessity for modified burglar alarm services in a large area, and would thus aid both our present subscribers, and enhance the possibilities for selling new prospects, many of whom would otherwise be "gathered in" by our local burglar alarm competitors. As it appears to me, a guard station in the Bronx is an absolute necessity primarily for the following reason:—Executive Circular #9 prohibits us from selling sprinkler service more than 30 minutes running time from the Central Station. If this is compulsory in Central Station areas other than New York City, why is it not necessary within the confines of this area to send a guard from 23rd Street and Fourth Avenue in New York City to the Bronx area? It must take anywhere from 45 minutes to an hour and 15 minutes to reach some of these subscribers. I review this method of operation as an inconsistency in relation to our own analysis as to what is correct and proper in emergency service. I have not determined how many sprinklered plants and night watch subscribers are located in this area, all of which are being covered by a guard located many miles away from their

locations. But I would assume that we have annual rentals comprised of sprinkler and waterflow alarm and night watch subscribers amounting to approximately $60,000. This sum, coupled with the present revenue in Westchester County, appears to me to be ample reason for re-establishing a guard station in this area. The latent revenue obviously to be gained in the County would seem to add considerable strength to this reasoning.

[fol. 6208] As an emergency institution it is my humble opinion that we are spread rather thin in this vicinity. My conclusion that we should expand our abilities to serve in this locale is due in part, of course, to the fact that I expect to enhance our Commercial Representatives' opportunities to further increase the revenue of our company, plus the fact that we should be able to render service in keeping with the demands of the Factory Insurance Association, The Associated Factory Mutuals and all governing insurance bodies having jurisdiction in this area. I hesitate to go out on a limb with a guaranteed quotation as to what we could expect from an increased rental standpoint if operating conditions were made better. There is, nonetheless, no question at all in my mind that if we were able to render more complete service we would benefit greatly in new business and increased annual service charges.

The situation in Long Island and New Jersey are comparable in almost every way. There seems to be little reason at this time to specify exact sums. Since our government and the President have been urging business to decentralize, to move from urban to suburb areas, this situation affects all of the New York district with the exception of New York City and undoubtedly will be felt throughout the whole A. D. T. Network. In relation to these areas, let me suggest two possible measures:

1. The location of a guard station in a vicinity which would allow us to further extend our standard services in an area which has been up, until the present time, a constant operating dilemma.

2. The relocation of the Paterson Central Station to an area outside the center of the town. This operating office, if properly located, would bring within its scope a large area which is at present woefully neglected.

Hence we could eliminate the necessity for employing an additional guard for the Paterson district, yet we would still be able to serve Paterson itself.

It is readily recognizable to me, of course, that locating new guard stations in the Bronx and on Long Island, and relocating the Central Office in Paterson, would be an expensive move.

If it were possible to assess the subscribers in these three portions of the New York district, a dollar a week, or $50.00 a year, it would amount to a very substantial sum to be used as an aid in alleviating the cost of the proposed changes. If this were agreeable to our Executive Office, we could in the future add an appropriate sum to each new contract and to the renewal contracts leaving this thought in mind. Thus, we could expand our services to old and new subscribers, and at the same time suffer no very great immediate loss in capital investment.

The attached reports presented by several of the Commercial Representatives affected by the restriction of modified services reflect a pragmatic point of view. As salesmen, any move which cuts down their selling power is felt by them in the amount of their earnings. I feel that they have listed things which might be of great value in the study of this annoying problem.

It has been my desire in compiling this report to aid in some measure the current investigation. I hope it may be of aid.

W. J. Doyle, Commercial Superintendent.

WJD/eo

[fol. 6209] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 31

ALARM SIGNAL COMPANY OF TEXAS
P. O. Box 647
Pasadena, Texas

Filmed Copy

March 23, 1959.

Mr. Frank E. Guibert
Newark District Telegraph
372 Plane Street
Newark 2, New Jersey

Dear Frank,

Congratulations on your wonderful article in the March issue of the Signal.

As you probably know, I have only been in the burglar alarm business, in a small way, for the past three years. However, this is my eighth year in the fire alarm business. Along the lines you were referring to in your article:

1. I have never run into so many low-life individuals for employees as I have in the burglar alarm business. And many of these men that I hired came from competitors in the business.

2. For example, in the past couple of years we have had one man take Ninety Dollars worth of tires off a service vehicle and pawn them for Fifteen Dollars. Another take tools and sell them; another over Three Hundred Dollars of burglar alarm equipment and no telling what else that we have not caught.

3. Now, being that I am having to borrow a large sum of money to pay many of my losses for bidding too low and too, having had such a sad experience with men that have been employed in our industry for many years, I have sat down and tried to figure out "Why" this has happened.

4. First, to get back to this "low-life individual" that I referred. Is this man a low-life individual when he has a family the same as other people, yet management in our industry hires this man with a family for One Dollar thirty-

five cents an hour, then maybe after he stays three years, he is up to One Dollar seventy-five cents an hour. Yet, this very same man is the man we send out to a warehouse, worth from One Half Million Dollars to maybe a plant [fol. 6210] worth Three Million Dollars, that plant management has entrusted fire or burglar alarm protection of his entire plant to our industry. The point I am trying to bring out is the fact that maybe I have been the low-life individual for imposing or permitting this man to take the low paying job, whereby he has to live on the worst side of town, cannot afford to properly clothe and feed his family, or maybe is tempted to pawn tools or take something else to raise a small amount of cash. Yes, Frank, it goes back to one thing and one thing only—too many of us in the industry have gotten the idea that we have to invest One Hundred Dollars of labor and material and charge the customer Thirty Dollars installation, then maybe five or six dollars a month rental and maintenance. Then in order to barely get by on service, we pay this "low-life individual" One Dollar thirty-five cents an hour; whereas, if we were to get a fair profit and we were to pay a fair wage, this same "low-life individual" might be one of our leading citizens in the community instead of drifting from one alarm company to another, barely getting by with the idea that the whole world is down on he and his family.

5. You go into other territory and maybe visit Lodge or the Rotary Club and ask "do you know so and so" in the alarm business. Then you watch the expression on the man's face when he says "Yes, I think I know of him, he's the man that fools around with some kind of gadget that you put on doors and windows or he piddles around with some kind of something that he calls alarms". Yet you turn right around and take the man who is making up a fair profit on his product, giving good service, paying a fair wage to his employees and ask the same question and you get a *positive* "yes, I know so and so, he is in the Electric Protection Industry".

Where does all this stem from? Either taking that losing job and actually being a problem to the community or making a fair profit and being an answer to some of the problems in the community, state or nation.

Until a hell of a bunch of us get to the point that we

respect our own industry and price jobs right, service properly, pay our employees right, then how in the heck can we expect to have other people respect us and our industry if we do not respect it enough to get the proper mark-up on our service.

The owner of one of the largest independent alarm companies in our part of the country called me not long ago and was talking about going to Washington to put a stop to the major alarm companies in our country for pricing a job high where there is no competition and low where they do have competition. I personally believe that many of the independent companies, such as mine, has been the blame for this low pricing and not the major companies.

[fol. 6211] Can we as business men expect a company worth millions of dollars stand by and see some of us keep taking these jobs, without coming in on low prices at times themselves? Whereas, if we would make up our minds to keep these jobs up to a fair mark up, this big company is not going to just keep giving them away, but they too will have a tendency to mark up a fair profit instead of below cost installation and maintenance. Another thing, who can really afford to take the losing job, me as a small independent or the company with millions. I blame lots of us independents for this pricing and not the major company.

It is probably obvious by now that you touched a soft spot in my heart with your "solid truth". I can assure you one thing from Ascot's standpoint, we may not get many jobs, but you can bet your boots that when you see one of our service trucks out on a job, that a fair profit has been marked up, proper service will be rendered, and if that fine service man is not properly clothed or caring for his family, it is not because we are not paying him a fair wage. I will have to admit that it has taken me some seven years and over a Fifty Thousand Dollar loss, much grief to my family and creditors, to learn these few items.

If any man can show me anything that renders a better service to our community, state, or nation than that of protecting property from burglary and protecting life and property from the hazard of fire, I will change over to it tomorrow. So, by rendering such a service, why in the name of goodness don't we wake up and elevate our industry to the position in which it belongs? It is certainly up to us in

management and it can be accomplished so very easily if some would drop the "holier than thou" attitude and also listen to some of you older ones in the industry.

My very best regards to Gil Pittinger and keep giving our industry the shot in the arm that we so obviously need.

Cordially, Alarm Signal Company of Texas, Jamie H. Bray, General Manager.

JHB:cw

[fol. 6212] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 36

SAN ANTONIO, TEX.

June 2, 1962.

Mr. Habermann (for your information.

Competition, San Antonio Texas, Texas Industrial Survey

This organization has secured three contracts from Jacke Bros Co., and are installing equipment.

(1) A B.A. system, foil and contacts in Jacke Bros. Service Station, behind the store at 102 Alamo St.

(2&3) Photo Electric systems at both Jacke Bros warehouses, where we presently have convential B.A. protection, screens & contacts.

Bud had been negotiating on these contracts but Mr. Henry Footes, Jackes, states the new company was about ⅓ cheaper than A.D.T. quotations. It is not known whether Jackes' plan to cancel our B.A. protection at warehouse sites.

[fol. 6213] Mr. Hugh Caterson, one of owners of this new company also has the security maintenance contract with Jacke's and as such carries a pass card to premises protected by A.D.T.

Representatives of this organization are soliciting A.D.T. subscribers and in some instances leaving proposals, (contract forms ready to be signed).

Mr. Tom Bordelon, Hertzberg Jewelry states their quo-

tations are quite substantially less than rates paid to A.D.T. I don't think we need fear this acct. Mr. Bordelon seems to understand you get what you pay for. Salesman tell subscribers, that even though at this time they do not have an accredited Central Station, Insurance Companies will grant the same insurance rates as are earned by a Certified B.A. system.

T. E. Smith.

[fol. 6214] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 37

HOUSTON, TEXAS

October 18, 1955.

D. & B. Requested. 10-21-55 (Handwritten).
Mr. A. S. Cook
Manager

Riverside Protective Association, P. O. Box 8573, Houston 9, Texas

The above concern sells local burglar alarms in Houston and the surrounding vicinity. Their prices, like other competitors in this area, are lower than ours.

The area that is covered by this concern is also covered by ADT salesmen.

If any further information is desired, please advise.

J. K. Scott, District Sales Manager.

JKS:hg

cc: Mr. L. J. O'Brien.

Received October 21, 1955, Exec. Sales Dept.

[fol. 6215] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 38

DALLAS, TEXAS

October 1, 1959.

Mr. R. T. Warner
District Sales Manager

The Polaroid Company, 8919 Diplomacy Row, Dallas, Texas

For your information, I am sorry to report that the above took a local competitive service. I gave them a proposal for a Central Station Burglar Alarm that would meet requirements for a Class B Certificate, as per their request. I now find that they have installed a Greenville Avenue Patrol Local Burglar Alarm and patrol service.

I talked to their manager today and he said he didn't know we sold Local alarms, so therefore he didn't even request our price.

Thanks for your help. Maybe they will want Central Station service at some future date.

Bob, R. F. Ethridge, Sales Representative.

EFE:fh

CC: Mr. J. D. Patton.

10/2 c/c EFM.

[fol. 6216] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 39

HOUSTON

June 22, 1959.

Mr. J. B. Rustic
General Superintendent
Operating Department

Competition—El Paso

Attached is a copy of Manager Barnes' letter of June 16th which furnishes the latest information on the attempts of Communications, Inc. to direct connect several burglar alarm systems into the city police headquarters.

Almost every step possible was taken in an effort to avert the connection into police headquarters, but the results were unsuccessful.

Most of us feel that this firm will not attempt extensive operations in El Paso, but a watchful eye will be kept on their activities and you will be advised accordingly.

S. W. Christian, Operating Superintendent.

SWC:wp

cc Mr. J. D. Patton, Mr. R. J. Habermann, Mr. W. D. Simpson.

L.J.O.

Our local people were not in the pilot's cockpit when this one was put over—I don't believe this system is laboratory approved but this can be checked—Maybe Patton will have to put someone in that El Paso area—Barnes is good but not aggressive. HGL. 6/24 (Handwritten).

Mr. Patton is planning a change in sales coverage in El Paso, JRB, 6/30/59 (Handwritten).

[fol. 6217] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 40

HOUSTON, TEXAS

March 15, 1960.

Mr. L. J. O'Brien
Gen'l Sales Manager

Competition

It has been reported that the Burns Detective Agency in Houston is selling the Radar Eye burglar alarm system.

Any further developments will be passed on to you as they develop.

J. D. Patton, District Sales Manager.

JDP/eh

[fol. 6218] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 41

SAN ANTONIO, TEXAS

December 11, 1956.

Mr. J. K. Scott
District Sales Manager

Scobey Fireproof Storage Company, 801 Morales Street, San Antonio, Texas

Please refer to Form 701 that was attached to the BA renewal contract.

The old contract expired in 1951. I do not know the reasons why this contract was not renewed prior to 5-1-54, the date I was transferred to San Antonio.

The result of my last attempt to renew the old agreement, was a letter of cancellation from subscriber. Several days later, one of our plant employees advised that Adler Alarm was installing a local alarm at sub's. Colorado Street loca-

tion, where we now render SSWF Service. This local alarm is a direct-connect to engineer's office at subscribers N. Medina Street location.

Subscriber advised he was going to have the same Adler set-up at their Morales Street location since ADT prices were too high. To prevent Adler from securing this additional business, and on the strength of the SSWF renewal at this location, I accepted a five-year BA renewal at the same price. Subscriber even refused to consider a 10% increase.

It is highly probable that I will be compelled to convert their BA at N. Medina Street to a local alarm, with the control set located in the engineer's office, in basement of this bldg., to prevent Adler from installing alarm at lower rate than our central station alarm which is $946.00 per annum.

If any further information is required, that is not covered in this letter or the aforementioned Form 701, please advise.

C. A. Southard, Sales Representative.

[fol. 6219] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 47

November 2, 1959.

File JBB
B

Mr. E. J. Heisley
District Sales Manager

Competitive Fire-Alarm System, Pittsburgh, Pennsylvania

Although we share to some extent the concern of Manager Young relative to the demonstration reported in his letter of October 20, 1959 needless to say, the "trade name" of Pyr-A-Larm is not new to us. We are already thoroughly familiar with the system as a result of tests conducted by our Engineering Department and the competition which it has created in other sections of the country.

Quite frankly, we suggest all of you keep your eye on the implied activity of Mr. Gordon Henry and his associates in the Pittsburgh area since a favorable climate already exists in that area for the use of direct-connected equipment and it is not beyond the realm of possibility that Pyr-A-Larm might possibly be welcomed "into the field" by Fire Chief Adley, Safety Director Rosenberg and other associates. Pyr-A-Larm equipment can very easily be connected into any Gamewell Peerless box thus auxiliarizing the system in connection with city circuits.

Furthermore, Pyr-A-Larm equipment has already proven itself reasonably reliable and effective so that those selling it have something to talk about.

Will sincerely appreciate hearing from you from time to time concerning developments.

L. J. O'Brien, General Sales Manager. By: J. B. Bodley, Assistant to General Sales Manager.

rmh

cc: Mr. F. T. Turner, Mr. D. A. Young.

[fol. 6220] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 49

PITTSBURGH 22, PA.

November 20, 1962.

Mr. W. J. Robinson
District Sales Manager
Washington, D. C.

Competition—Pittsburgh

We thought your office would be interested in the current Pittsburgh Yellow Page listings on Burglar and Fire Alarm Systems.

The main point is the 2" column concerning The Bell Telephone Company of Pennsylvania.

Jake Kowalyk, Sales Representative.

JRK:lw

Enc.

[fol. 6221] Burglar Alarm Systems

Ace of Spades Burglar Alarm
Central Station Supervised Systems With Direct Connection to Police Headquarters.
Ultrasonic—Capacity—Radar Installed & Maintained in Stores—Offices—Safes & Vaults.
Underwriters Approved Grade "A".
"For Information Call"
Service & Installers, Ace of Spades Burglar Alarm Co.
5658 Melvin. 521-2737

Allied Detective Agency Inc.
2640 Library Rd. 884-2636

Autocall Co.
90 Clairton Blvd., Pleasant Hills. 892-2530

Bell Burglar Alarm Co.
401 Sheridan Ave. 441-7631

Burglar Alarm Inc.
3636 E. State Sharon. 347-4842

Cauley Electric Burglar Alarm
6041 Rodman. 661-6000

Fidelity Electronic Protection Systems
5993 Centre Ave. 362-2300
Guardian Alarm Systems of Pgh. Inc.
24 Hour Burglar Protection That Is Low in Cost
Purchaser Owned, Parts Guaranteed for Life
Dial 771-5920
Call For a Free Estimate
3825 Chartiers Ave. 771-5920
Holmes Electric Protective Co. of Pgh.
Burglar Alarm Systems
Central Office & Local Alarms
24 Hour Maintenance Service
Serving All of Allegheny County
521 6th Ave. 281-3400
Pittsburgh Alarm Service
5068 Lindermer Ave.
Bethel Park 341-8100
Universal Security Electronics Inc.
Burglar Proofing
Day—Night
By the Famous "Silent-Alert"
Industrial, Commercial, Residential.
Prevention Rather Than Apprehension
Is Our Intention
Suite 404
Carleton House Hotel. 261-2090
Vending Maintenance Co.
Truck & Vehicle Burglar Alarms Installed & Serviced.
4625 Perrysville Ave. 931-2933

Fire Alarm Systems

ADT Protection Service
Underwriters' Approved Central Station Service.
Park Building. 281-2968
Ace of Spades Burglar Alarm Co.
5658 Melvin. 521-2737
Acme-Auth-Systems—Hendrickson V E Co.
4412 Liberty Ave. 681-9333
Autocall Company
Fire Alarm Systems, Sprinkler Alarm Systems, Proprietary Protective Signaling Systems.
90 Clairton Blvd. 892-2530

Bell Burglar Alarm Co.
401 Sheridan Ave. 441-7631
Bell Telephone Co. of Penna. The
201 Stanwix. 633-9900
See Advertisement
Cauley Detective Agency
6041 Rodman. 661-6000
Detect-Tel-Tron
771 Clairton Blvd. 892-2260
[fol. 6222] Fidelity Detective Bureau Inc.
5993 Centre Ave. 362-2300
Fire Fighter Sales & Service Co.
1721 Main. 782-2800
Fire Safety Supply Company
40 Terminal Way. 431-0700
Gamewell Fire Alarm Systems—Gamewell Co.
300 Mt. Lebanon Blvd. 531-0700
Mac-Key Fire Equipment
3412 Ward. 621-7080
Minneapolis-Honeywell Regulator Co.
Commercial Division
4120 Brownsville Rd. 882-9700
Notifier Corp.
9612 Emerson. 241-4555
Pittsburgh Alarm Service
5068 Lindermer Ave.
Bethel Park. 341-8100
Simplex Time Recorder Co.
977 Perry Hwy. 931-7373
Standard Electric Time Co.
Bessemer Bldg. 281-5633
Wheelock Signals Inc.
400 S. Evaline. 682-6065

Industrial and Community

Alarm and Dispatching Systems

When seconds count, you can depend on our services.
For details, call 633-9900
The Bell Telephone Company of Pennsylvania.

[fol. 6223] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 51

SEATTLE, WASHINGTON

March 12, 1956.

Mr. L. J. O'Brien
General Sales Manager

Boeing Airplane Company
7755 East Marginal Way (Plant II)
Seattle, Washington
Conversion

I should know on March 25th whether or not we are going to receive a contract from the Boeing Airplane Company for installing our Central Station Service in Plant II in place of the now-installed old and antiquated Gamewell Proprietary System. I feel quite optimistic about the entire transaction and I think that I have the support of the majority of the Boeing personnel on using our service.

However, Gamewell is fighting us very strenuously as they do not want to lose the prestige of having their service in such an important installation as the Boeing Airplane Company.

My reason for writing you today primarily is to learn from you as to whether or not Gamewell can sell a complete Proprietary System which will include all phases of supervisory service. If so, I would like to learn something about the type of equipment they install as I feel it would be quite helpful to me in counteracting the possibility of selling supervisory service in conjunction with their waterflow only service that is being rendered at the present time.

This job will involve approximately a $50,000 to $60,000 installation charge plus an additional annual service charge of $15,000 to $16,000 per year. Your prompt assistance to my problem will be appreciated.

W. J. Dahl.

WJD:mj

[fol. 6224] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 52

March 14, 1956.

Mr. W. J. Dahl
District Sales Manager

Boeing Airplane Company
7755 East Marginal Way (Plant II)
Seattle, Washington—Conversion

In reference to your letter of March 12, 1956, the Gamewell Company can sell a complete proprietary system, which would include all phases of supervisory service.

However, in view of the size of this job and the competition, it is requested that you submit all the data on the job to this office, so that a quotation price can be determined.

L. J. O'Brien, General Sales Manager. By T. I. Young, Manager, Sales Administration.

vm

The last paragraph Per Mr. Schultz's conversation with Mr. Smith, FC 3/14. (Handwritten).

[fol. 6225] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 53

NEW YORK

January 30, 1956.

Mr. J. A. MacDonald
First Vice President

Direct Connected Services—Competition and Compensation

I have delayed answering your letters of November 7, and December 6, 1955, and of January 17, 1956, in anticipation that the NFPA Signaling Committee meeting of January 24 might, through its treatment of the question of

auxiliary alarm systems, modify radically the insurance approach to this subject. The Committee, however, having dug up the body and examined it, has reinterred it for at least another year and this factor—insurance recognition—is unchanged for the present and immediate future.

At Jackson, Michigan, as your letter of November 7 observes, I had hoped to get a clearer picture of our local competition, as respects both auxiliaries and direct-connected burglar alarm systems, than has been developed. As a matter of fact we have pressed Mr. Crudgington closely for this material and he has satisfied Mr. Friedli and myself that obtaining an accurate count of the city-served equipments is, short of a court order, impossible. The fire department officials are wholly unwilling to disclose how many private fire alarm systems are auxiliarized, presumably because of personal interest therein, and the police department avoids disclosures, as respects burglar alarms, because the direct-connected installations were made and are serviced by the brother-in-law of the police chief. On the fire side it is estimated that there are 42 auxiliary connections—we had in 1954 54 subscribers to comparable services—and I am assured that unprotected potential is practically nonexistent in Jackson. Not only is the door closed to ADT in the case of the 42 auxiliaries but the fire department is active in the solicitation of additional business; for example, within the last six weeks our proposal for SSWF and AFA service at the Allied Store outlet in Jackson was returned to Mr. A. Gaston with the word that the Jackson [fol. 6226] fire department preferred auxiliary equipment to ADT service. On the burglar alarm side the burglar alarm board at headquarters—property, as noted above, of the chief-s brother-in-law—is filled to capacity, and the brother-in-law has moved his activity to Ann Arbor pending expansion of the headquarters facility. I am again assured, and I believe correctly that where new burglar alarm potential develops in Jackson the police like to see it stay in the family, and will take care of the additions, even beyond the present capacity of the board, to avoid its falling into ADT hands.

Jackson, in other words, seem to be safely sewn up for our competitors and breaking the bottle-neck would involve, as I think we agreed in the fall, something more than the

palliations we have hesitantly considered usable to draw fire and police officials to our interest. It seems, really, to contain most of the more discouraging elements which we should expect to encounter anywhere. On such a basis we might reasonably expect to be able to obtain a wealth of experience in bucking the situation aggressively and to a conclusion. This would involve us, I suppose, in a franchise struggle and might easily be more far-reaching than we can immediately foresee, in view of the personalities appearing in the picture. Failing some such action, however, I am not hopeful of reaching a break-even operation in the city and this, of course, may warrant extreme measures. If you agree that a proposal is worth looking at, I shall be glad to make one.

In connection with your letter of December 6, 1955, I share the doubt you express in the fourth paragraph, that compensation directed to a benefit fund, as an example, would outweight directly the payments made by Gamewell, as commissions or otherwise, to key officials of the fire services in individual cities. At the moment, however, we offer nothing, and Gamewell wins by our default, without an effort, and at slight expense. I am satisfied that, on an unorganized basis, perhaps, we have tried both the second and third competitive methods, except 3f, of your letter repeatedly and come out pretty much where we go in, without the basic local business—we are on an evener basis with national accounts—but with the confirmed hostility of the local municipal authorities. Jackson is an example of this, developed across the years; Charlotte, where Gamewell has about 150 customers, against our modest subscriber roll, is an example of market preemption by Gamewell at an [fol. 6227] unusually rapid rate, by intensive local representation, and in the face of our competition and our determination to establish ourselves in the area.

I am not convinced that this market is unimportant to us and that we can afford to content ourselves with half-measures because we think of Gamewell's primary concern as lying in the municipal signal field. We are told, authoritatively and by Gamewell, that it has increased its shunt auxiliary business from "about 4000" connections in 1934 to "more than 20,000" in 1955, a growth of, say, 16,000 subscribers. This growth is, of course, country-wide but

it is largely in the occupational categories in which we are interested. In roughly the same period, 1934-1954, our central station subscriber increase was, so far as comparable services are concerned.

NW-FA	1742
AFA	2606
SS-WF	9015
	9879

It is beyond dispute, I submit, that Gamewell activity among individuals and mercantiles restricts our market, and restricted it even before that activity became an essential part of the organization's effort to survive telephone encroachment.

My fear would be, and I am probably pessimistic, that transfer of our sales from our own people to local contractors, would be difficult to effect if the local situation were locally understood, and that we would be substituting for what experience our people have, people who would not be much more able to meet competition because of local influence and would be infinitely less apt to work aggressively to overcome it. I, perhaps stubbornly and wrongmindedly, persist in my opinion that we should take all possible steps which might lead to a reversal of the trend, including compensation to those who do the most for our competitors.

[fol. 6228] Mr. O'Brien, as a routine matter, sends me five competition reports from the North Carolina area. The first, from Hickory, says "Fire Dept. again outsold us to subscriber, by stating they will furnish monthly test—use of city circuit helped here as our wire charge was almost $200." The second, from Lenoir, says "New York was also in on this job—Gamewell not installed as yet, but I have been told by local people that they decided on Gamewell as credits are the same and their cost much less." The third, from Charlotte, says: "Due to operation and final design unable to get BA. WF went to Gamewell on dollar and cent basis—these people not protection minded at all." The fourth, from Charlotte, says: "These people went to Fire Department to ask what protection was available to them, and for once Fire Department gave them our name as well

as Gamewell; however, later Fire Department Signal men called on above with Gamewell salesmen and stated there (sic) recommendation for Gamewell. Cost was also a major factor." The fifth, from Asheville, says: "Dollar and cents proposition as credits are equal—people recognized our superiority but said cost was factor." All jobs, of course, went to Gamewell.

I note, finally, your letter of January 17, which reached me without copy of Mr. Hable's letter of the 16th. The cost suggested seems high but I should be more concerned about the personalities involved than than particular factor. Particularly, I suspect that most foremen, having other responsibilities, experience, and training approaches to this particular problem, might be difficult temperamentally to fit into the picture. I think of this assignment, as I told you, as something fairly special and I think it should be exclusive and not mixed in with, and secondary to, other obligations.

I don't have the feeling that this letter contributes much to the discussion; the lines of discussion are fairly well defined, however, and it might be desirable to draw the others involved into a general exchange of views, possibly in a conference.

J. J. Stephens, per H. Mayes, Director of Diversification & Expansion.

JJS:hm

CC: Mr. A. E. Smith.

[fol. 6229] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 54

February 15, 1956.

Mr. A. W. Sullivan,
Director of Public Relations

Gamewell Competition—Indiana

Last week Sales Representative Glover told me a very interesting story of the tactics Gamewell is using in some of the smaller towns in Indiana with considerable success.

In towns where the National Board or the Inspection Bureau has applied deficiency points due to an insufficient number of street boxes, frequently there is no money available to cover this. Gamewell has come up with a plan to provide these extra boxes at no apparent cost to the city. They obtain permission to connect waterflow alarms directly to fire headquarters and then vigorously promote the sale to each industry in town of waterflow connected to a master box. This has the affect of encouraging the municipal authorities to promote the Gamewell system over ours or any other.

Mr. Glover suspects, but is not able to prove, that in some cases the fire department is providing inspection service for these Gamewell alarms.

R. M. Bugbee, Executive Representative.

RBM:jp

[fol. 6230] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 55

NEW YORK

October 10, 1955.

LJO'B, 10/10/55. (Handwritten).
Mr. L. J. O'Brien, Gen'l Mgr.,
Sales Production Department

Competition—Kenosha, Wisconsin

Regarding Mr. Turnbull's letter of September 13th and your reply of September 22nd on Kenosha, Wisconsin. We do not know Chief Brady.

There is nothing new about what is happening at Kenosha. We have had similar occurences in other parts of the country. You will recall that Needham, Massachusetts they wrote a requirement, that all sprinklers had to be connected to a master box. We had this changed permitting us to retransmit. Similar occurences have happened in both Long Island and Westchester.

The Gamewell Company are aware of the fact that the Telephone Co. service for municipal fire alarm is growing. A year ago I was informed by some of the Gamewell people themselves that they were beginning to concentrate on the industrial business, particularly supervision of sprinklers. They changed their sales set-up and it seems we are running into this type of competition more and more. The Rockwood Company has developed a new drop-in-pressure device that is being sold by the Gamewell representatives. This is, evidently, to replace the Sprinklarm device. The apparent sales approach of the Gamewell Company is that if the local IMSA representative and the fire chief will assist in pushing master boxes, it gives the city or town extra boxes and also the customer is being charged only for the installation, whereas, if the Telephone Company take over they will be charged line mileage.

I would certainly advise very strongly against going to the City Council or the Fire Commission of Kenosha, Wis-

consin or going over Chief Brady's head at all. We would gain very little doing that.

A. W. Sullivan, Director of Public Relations.

AWS:jp

cc: Mr. A. E. Smith.

[fol. 6231] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 57

GRAND RAPIDS, MICH

July 30th, 1955.

J. C. Penney Company
Kalamazoo, Michigan

Reply to Letter of: 6/17/55

Mr. Howard B. Schultz
National Account Representative
New York City.

While in Kalamazoo yesterday I learned from a confidential source that the Gen'l. Contractor—Miller-Davis Company have convinced J. C. Penney Co. to accept their original proposition of supplying Auotcall fire alarm devices connected into the City Gamewell circuits; and to offset the ADT Burglar Alarm Service they have injected a local Burglar Alarm Company that to the best of my knowledge have not one single approved installation in Michigan.

They can not get a certificate on their cash vault, will have no BA to any Central Station and will not have any hold-up in the cash room.

Can you verify this change for me from their New York Office. If this is true, it will mean a break-down of our past good relations with the Kalamazoo Fire Dept. and will open up a flood of sub-standard "Cat & dog" alarms in this part of the territory. The Inspection Burearu are getting greatly concerned over the recent trend to sub-standard fire alarm installations in Michigan

Excuse the many mistakes. I am down here in the office on Sat AM and boy is it HOT! I wanted to get this information to you as soon as possible, and hope you can get it Monday morning.

R. V. Haight, Rolf.

CC D. R. Hall

Detroit,

I am certain you should make a personal investigation of this serious situation—from this end of course. (Handwritten). RVH.

[fol. 6232] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 61

ATLANTA, GEORGIA

January 4, 1954.

L. J. O. Pls see me, AES 1/15. (Handwritten)

Personal

Mr. A. E. Smith:

Wurzburg Brothers, 710 South Fourth Street, Memphis, Tennessee

(Factory Mutuals)

On Wednesday of last week we discussed over the phone the possible cancellation of SS & WF service by the subject subscriber which was outlined in my letter of November 30, 1953 addressed to Mr. A. W. Sullivan with a copy to you.

On Thursday morning, December 31st, we received a report from Commercial Representative Allen to the effect that discontinuance notice had been received and that this subscriber proposed to proceed, with the blessings of the Factory Mutuals and the City of Memphis, to install a Gamewell Auxiliary System. This came as a most unhappy surprise because on the occasion of my personal call on the treasurer of this company, he agreed to recommend the renewal of our service agreement.

I will leave for Memphis today and spend as much time as necessary there to determine the exact attitude of interested City Officials and of course, will endeavor to influence them in the direction of declining to accept this connection to city circuits. You will receive a further report upon my return from Memphis.

E. J. Heisley, Commercial Superintendent.

EJH/bh

CC: Mr. A. W. Sullivan.

[fol. 6233] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 62

HUNTINGTON PARK, CALIF.

September 24, 1953.

Mr. E. B. White

Attention:—Mr. W. K. Francis

Los Angeles and Salt Lake City Railway and its Lessee
Union Pacific Railroad Co.
4341 East Washington Blvd.
Los Angeles 23, California

Please send the following information to Commercial Representative M. S. Blose in Omaha, Nebraska.

After receiving Mr. Blose's letter I contacted Mr. Bates, Superintendent of Fire Protection for UPRR and discussed the matter of our equipment with him. Mr. Bates states that the Los Angeles Yard is the only place in their entire system where they use MFA Central Station Service. He stated that in a number of locations they use Central Station SS & WF, but that at all locations where they use MFA Service only, they have installed a proprietary system in lieu of Central Station Service.

From everything Mr. Bates has said, it is my opinion that his final decision will be to cancel the Central Station Contract and either buy outright our equipment as now installed

plus an ADT recorder, or install a Gamewell MFA system. He also stated that last year they bought a Gamewell system for their Kansas City Yard which comprises 16 MFA and a recorder and it cost them $5,000.00 installed.

In view of this information, I discussed the matter with the Assistant Commercial Superintendent W. K. Francis and he has recommended to New York that under the circumstances we sell them our equipment plus a recorder installed for approximately $5,000.00. However, before we proceed much further, Mr. Francis is checking the validity of the information about the Kansas City installation.

I again talked to Mr. Bates this morning and indicated that I am attempting to obtain a lower quotation from New York and that as soon as I obtain it I would contact him by letter and provide Mr. Blose with the same information. I will advise you further on future developments.

John Heath, Jr.

JH:ba

cc: Mr. A. E. Smith.
cc: Mr. W. W. Dooley.
cc: Mr. M. S. Blose.

[fol. 6234] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 63

ERIE, PA.

March 20, 1953.

Mr. D. E. Kloster, Acting Oper. Supt.
Cleveland, Ohio

Erie Resistor Corp., Erie, Pa.

During the past several months both Mr. Edwards and Mr. Halter have mentioned to me that the Erie Resistor Corporation has been complaining about the increased rates for our service. I understand that the subscriber has threatened to discontinue our service and seek protection service from another source.

Mr. J. E. Dietman, the Treasurer, of the above concern

telephoned me today and stated that his company has definitely decided to discontinue our service and change over to Gamewell system. He said they have already made arrangements with the Gamewell Company for protection in one section, and that they plan to have the entire service changed over within about one year.

He stated that there is no question about the service we perform, but they feel they are being overcharged for the service received. I have discussed the matter of ever increasing costs in wages and materials and he says he realizes that, but added that his Company feels we have made increases far in excess of fair business necessities.

/s/ W. B. O'Hara.

[fol. 6235] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 64

DENVER, COLORADO

Feb 12, 1953.

Dever Fire Reporting, June 10th.
Mr. Frank J. Concannon,
National Accounts Representative,
New York, N.Y.

Benjamin Moore Co.
Denver, Colorado.

Supplementing my letter of February 7th, 1953.

I am afraid that we are off to a bad start and experiencing the same obstacle in our solicitations as we have in the past.

When I called on Mr. F. A. Traylor, Gen'l Mgr., to inform him that we proposed to prepare another estimate and submit another proposal and also mentioned that you had contacted their Mr. W. J. Cinnator with reference to this matter, he immediately informed me that Mr. Cinnater had been in Denver only a week prior and did not mention to him that any thought was being given to the installation of our protection.

His attitude was identical as in the past, that he was not

going to give up the advantage of the free direct connected WF services and would not approve any additional expense from a standpoint of protection.

Mr. Traylor, in my opinion, carries a little unusual weight in this outfit and seems to be rather aloof from too many recommendations from their home office. Mr. Traylor was one of the original owners of this operation and either sold out or combined with the Benjamin Moore Co., and I am presuming still is a factor from a financial standpoint in the overall setup.

I manage to get along quite well with Mr. Traylor in a personal way, except I admit to practically no progress in selling the gentleman, but he did state that if it arrived to the point that they would definitely come to the conclusion that they decide to go to Central Office instead of Direct Connecting that he would call me and give consideration to our services.

I would say, that at this point, I would consider myself stymied.

O. T. Blank.

CC—Mr. W. W. Dooley.

[fol. 6236] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 66

BOSTON 9, MASS.

March 6, 1962.

Mr. A. S. Cook
Commercial Supt.

Re: Competition—Wild & Stevens, Inc., Needham Street. Newtonville, Mass.

In September, 1951, an estimate was made for SS & WF and IP services after a talk with Mr. Arbuckle, Treasurer of the firm. This estimate was submitted from blueprints, with the electrical contractor pulling the wire, etc. at no cost to ADT.

Due to pressure of moving from their Purchase Street location and due to unexpected high costs involved in this

new move to Newton, Mr. Arbuckle deferred consideration of our proposal until the month of February. It was necessary to make a new estimate based on the ADT making the complete installation. The new estimate was submitted forthwith for Mr. Arbuckle's consideration.

During this time, in the two previous interviews I had with him, no indication was made that competition was at hand. My third interview with Mr. Arbuckle still found him pressed for time. Appreciating that he was a difficult man to see, I went to great pains to write him a very complete proposal quoting from "National Fire Protection Association's manual, Employees Organization for Fire Safety" which in part strongly indicated the need for Central Station Supervised Fire Alarm Service. I also indicated the importance of protection of gate valves. The advance service charge was $535.35 and the annual service charge was $486.66 for 5 units.

We also quoted on IP service, $132.90 annual service charge and $94.08 advance service charge for 2 units.

As I see it, this was simply a price situation. Unknown to me, the Gamewell people and possibly General Alarm quoted on this job and price was such an important factor that the advantages of Central Station Supervision, in the minds of the people in Wild & Stevens, outweighed the lower cost factor involved for the Gamewell System.

At least, I might add, I feel that between the written proposal and the previous interviews I had with Mr. Arbuckle, he should have been definitely aware of the great advantages of our service.

E. A. Rogers, Commercial Representative.

EAR:mm

[fol. 6237] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 67

October 2nd, 1952.

N. R. Brady

Hotels Statler Company, Hartford, Conn.

We were informed today that in all probability the above project will be released for construction after the first of the year.

The Subscriber is leaning very strongly towards purchasing a Gamewell Fire Alarm System to be connected to the city circuits and a portable clock for the Watch Supervision.

We are still trying to change their decision and will keep you informed of any developments.

Neil Slavin, Supt. National Accounts.

NBS:SVL

[fol. 6238] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 68

DETROIT 26, MICH.

April 7, 1952.

Mr. A. S. Cook:

Ford Motor Company, Worcester Road and Speen St., Natick, Mass.—Compulsory Tour Service.

As you know, for the past six months we have been trying to negotiate a contract with the above, and we are pleased to enclose same herewith, providing for an annual service charge of $946.60, advance service charge $368.80. The contract is modified, with one exception—in order to get the subscriber's signature, we had to insert a clause which you will note in paragraph #14, as follows: "In the

event the Contractor is unable to contact a representative of the Subscriber, the Contractor agrees to dispatch their representative to the plant of the Subscriber".

The Security Division of Ford would not accept the contract without this statement from us, and although we do not agree to do it within any specified period of time, we are obligated by this clause to make an investigation if and when we can. The Ford Motor Company will have a complement of three guards on duty at all times and it would seem inconceivable that we should ever have to make a trip to these premises, but I presume that if such a thing did occur that we could not reach any one at the plant, we would make a run anyway in view of the fact that this is a large and valued subscriber, and we would want to preserve our existing goodwill.

If I recall correctly, at one time you told me that Mr. Fisher would be most pleased to co-operate to the best of the Operating Department's ability and with this in view, we feel quite certain that you can work out some agreeable arrangement should this emergency arise. It will also be possible to contact some of the Ford officials in the event we cannot reach the guards, some of whom will live in or near Natick.

This is a most important contract in that Gamewell equipment was specified after it seemed inadvisable to install a Burglar Alarm, and as a matter of fact, I heard indirectly that Ford had already given Gamewell an order or some verbal commitment. Since you know what a struggle we have had in consummating this agreement, I am leaving the entire matter in your hands with reference to New York's acceptance.

The original and four carbon copies of the agreement are attached—Please include notations on your forms #381 to New York so that four approved carbon copies are returned to us for transmittal, and 50% commission payment is made to Com'l Rep. John A. Summers.

D. R. Hall, Commercial Superintendent.

DRH:AS

CC—Mr. A. E. Smith.

[fol. 6239] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 70

DETROIT 26, MICHIGAN

January 18, 1952.

Mr. William R. Boos
Commercial Representative

Re: Ford Motor Company, 309 River Road, Edgewater, New Jersey

We have read with keen interest your letter of January 15th pertaining to the above subject. It is certainly a nice piece of work that you evidently have done with the management of this plant. We know Mr. Stanton, here in Detroit, quite well and although he has always been and still is a promoter of Gamewell in all of the Ford properties used for manufacturing, he still is most receptive to anything that we may offer.

Originally, Mr. Stanton specified the Gamewell equipment in all of their warehouses, but has recently had a change of heart and has recommended to the Ford Motor Company and also to the Lincoln-Mercury Division that they install our equipment rather than install Gamewell with a complement of watchmen.

Our success in selling the Ford Motor Company in manufacturing plants has not been good, and as a matter of fact, we only had one or two and have lost them in recent years. They go in for a proprietary system and it is always Gamewell. Gamewell, on the other hand has given this account a very special treatment having designed and manufactured equipment with the shells stamped out "Ford Motor Company". We, of course, do not know what reaction there would be to augmenting a sprinkler supervisory and waterflow service with a partial watch service, or whether or not they would be interested at all in cutting down on their watchman personnel.

With the information contained in your letter, we will most certainly open up the subject with them and see what their reaction will be. I think our first step, however, must

go through the securities division which make recommendations which eventually would reach Mr. Stanton.

Think it advisable for you to hold any further calls in abeyance until we have had time to get into the subject from this end, but we will most certainly advise you in due time. Thanks very much for this informative letter which we will use to good advantage.

D. R. Hall, Commercial Superintendent.

DRH:ay

CC—Mr. A. E. Smith. Mr. W. J. Doyle.

[fol. 6240] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 71

ATLANTA, GEORGIA

September 5, 1951.

Air Mail

Mr. A. E. Smith:

Union Bag and Paper Company, Savannah, Georgia

For approximately three years, we have been endeavoring to interest the subject concern in Central Station Service. About a year ago we prepared estimates and gave them a proposal, but have never been able to procure a contract. The negotiations were recently reviewed and I have been giving the matter some close personal attention.

It has now been definitely decided by the officials of the subject company that they will buy the equipment for a proprietary system and install it themselves. They have contacted the Gamewell Company and requested a bid. They have asked also that we furnish a bid by the 11th of September.

The system will consist of 100 Manual Fire Alarm Boxes, 80 Waterflow Devices, 80 Waterflow Transmitters and 165 Switches for Post Indicator Gate Valves with 17 Gate Transmitters. Headquarters equipment (Register and Takeup Reel) will be required for the Fire Headquarters

and the Guard Headquarters—signals to register simultaneously at both locations.

I have requested the Plant Department to forward to your attention by Air express the set of prints upon which their estimate was based last year. There have been no major changes in the premises since that time and these prints should enable our Engineering Department to determine what is required.

It is understood that we will not furnish any conduit and wire, but will furnish such Engineering advice and supervisory labor as may be required.

It is also requested that we furnish a price for quarterly inspections and tests only and a separate price for quarterly inspections and complete maintenance.

Please advise promptly.

E. J. Heisley, Commercial Superintendent.

EJH:bb

[fol. 6241] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 77

WASHINGTON, D. C.

August 11, 1955.

LJOB, 8/12.

Mr. L. J. O'Brien

Competition—Richmond, Virginia

Thought you might be interested in the attached report dated 8-8-55, received from Mr. Beckham, and to place this information in our "competition file".

J. B. Bodley, District Sales Manager.

JBB:jlf

Attachment.

cc: Mr. R. O. Beckham.

[fol. 6242] RICHMOND, VIRGINIA

August 8, 1955.

L. J. O'Brien

Mr. J. B. Bodley
District Sales Manager

Competition—Richmond, Virginia

A friend of mine in the newspaper business has just told me of a demonstration of a burglar alarm system that was put on recently for his benefit by an employee of the National Service Corporation, 113 East Grace Street, Richmond, Virginia.

The news item which was supposed to go out as a result of this demonstration is as follows:

"A new foe—the 'invisible watchman' is now moving into the battle against Virginia's burglar fraternity.

"The new type of burglar alarm works on the latest electronic and audio principles to cut down theft loss and reduce insurance premiums.

"Lindley B. Hill, owner of National Service Corporation, maintains it is the only foolproof system he has ever seen.

"It has been used for the past seven years in many super-secret government offices in Washington, Hill says.

"Conventional burglar alarm systems don't work against thieves who smash their way through walls and roofs to get into stores, Hill points out. He says the 'invisible watchman' cannot be fooled by experts.

"The alarm is set off merely by the presence of a human being in the protected area, signaling police without the intruder's knowledge.

"Police authorities have indicated in many cities that widespread use of such equipment can actually put the burglar out of business."

[fol. 6243] I have been told that Richmond has been set up as the headquarters for a 16-State sales district for this equipment. I could not ascertain what equipment is being promoted. However, from the description of the equipment three different types of electronic systems are being promoted, namely, ultrasonic, body induction, and a sound

system which will report sounds emanating from the protected premises.

I have tried to get Mr. Hill on the phone to have a little chat with him but he was not in.

The National Service Corporation is listed in the telephone directory as a television service outfit.

R. O. Backham, Sales Representative.

ROB:mt

[fol. 6244] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 78

SALT LAKE CITY, UTAH

June 1, 1953.

Mr. O'Brien

Mr. A. E. Smith. For your information, EBW, 6-4

Mr. E. B. White, Comm'l Supt.,
San Francisco, Calif.

Competition Report

My last report told of a competitor in the Fire Alarm field, and regarding this I have nothing more to report.

Another competitor, of whom I have not reported in the past because he was small, and not causing any trouble, is now becoming larger and is causing some trouble in this city. This concern is known as E.L.A.C. Electronic Local Alarm Company, and is installing numerous Local BA systems in the city. In the past he has sold mostly small stores which were of doubtful financial status, but this month I have had to compete with him for Burglar Alarm service.

The ELAC company is owned and operated by a former employee of ours, Mr. Carlisle Gray Tanner. Several years ago we received a D & B Report on the company, which showed that there were few alarms in service at that time. Just how many there are now, I do not know, but I am sure that it is a much higher figure at the present time.

It was when I sold our BA Service to Zinik Sporting

Goods Company that I had to out-sell this competition. I secured an initial contract, followed by a supplemental contract, but because our Plant Dept. estimated 3 times as much for the installation of still more service, I lost this portion to the ELAC company. When we lose the inside protection after getting as much as we did, it is indeed bad business to have our competitor put his alarm system in the store too.

We must keep our eyes open for this competition or he will become large enough before too long to cause us some real trouble.

T. J. Yocom.

[fol. 6245] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 82

NEW YORK, N. Y.

March 18, 1955.

Geo. Held

Mr. J. A. Webb,
Dist. Oper. Supt.

The Jamison Plastic Corporation
1255 Newbridge Road
North Bellmore, L. I., N. Y.

In reference to your letter of March 17, 1955, contracts have been secured by Sales Representative G. S. Held for SSWF, IP and BA Services reflecting an annual service charge of $1413.

We were fortunate in securing this agreement in the area involved due to the competitive situation existing in Long Island City. The Central Station Signals, Inc. and the Acme Burglar Alarm Company seem to be doing very well in this area on a telephone-answering basis.

The Jamison Plastic Corp. people are urging us to complete our installation as rapidly as possible. We believe that approval should be given this job immediately since

we were fortunate to secure this agreement. This job does come within the confines of instructions contained in Executive Circular #9.

We are very anxious to start our relationship with this new account in a favorable manner. Anything that you can do to help expedite this installation will be greatly appreciated.

W. J. Doyle, District Sales Manager.

WJD/ec

cc: Mr. J. B. Rustic, Genl. Supt., Oper. Dept., Mr. J. P. McGrath, Mgr., Long Island City, N.Y.

[fol. 6246] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 79

July 1, 1959.

Air Mail

Mr. Lyle Straus
District Sales Manager

Competition—Fort Worth

Please find attached copy of letter from Mr. Christian to Mr. Rustic dated June 22, and copy of letter from Mr. Franklin to Mr. Christian dated June 19. You will note, according to their practice, Montgomery Ward & Company is trying to get a free fire alarm connection in Fort Worth.

As I recall, Montgomery Ward has a very substantial retail operation in Fort Worth, and presumably the new store referred to will be a large property. I certainly hope you can secure contracts for ADT and prevent the Gamewell fire alarm connection.

I suggest that you write Mr. Patton direct and inform him in what way he can assist you in this negotiation. I am not sure if Mr. Patton is aware of the fact that we now do a substantial amount of business with this Chicago Execu-

tive Account, and we look forward to expanding it very considerably in the future.

L. J. O'Brien, General Sales Manager. By: Ray Brechbill, Assistant to General Sales Manager.

KDH

Attach

cc: Mr. J. D. Patton, Mr. W. D. Simpson, Mr. R. J. Habermann.

[fol. 6247] In United States District Court

Defendants' Exhibit 84

New York

October 10, 1952.

Mr. John Hannon
Assistant Secretary

Beth Israel Hospital, New York City, N.Y.

Mr. J. Caffery of the District Commercial Superintendent's office asked Mr. J. O. Maxey to furnish a selling price on a portion of the central station system now installed in the above hospital and in my discussions with Mr. Maxey I learned that the Directors of Beth Israel Hospital have already contracted for an Atmo system to supersede the ADT system. Further, I learned that it is Mr. Caffery's intent to attempt to sell outright to the hospital the presently installed fire alarm system and to negotiate for retention of the tour service portion as a central station service.

I reviewed Mr. Doyle's file on this subscriber and found since the installation of the system on October 23, 1926, the hospital authorities on several previous occasions have indicated a desire to purchase the system. In fact, Commercial Representative J. B. Martin on July 14, 1937 presented six different proposals for either the sale of the system or for retention of central station service. A copy of Mr. Martin's letter is attached for your review.

I believe we must assume the hospital authorities still have in their files the proposals made by Mr. Martin and

any offer to sell the system at this time would necessitate a lower quotation because of the additional depreciation accruing over the last 15 years.

The present book value of the system $3,771.97 includes the original cost to install in 1928 ($3,650.27) and with an annual depreciation rate of 6.97% the current plant value is practically zero.

If Mr. Caffery is successful in convincing the hospital authorities to forego the installation of another system and is also able to secure a five year central station contract for tour service, I recommend the fire alarm portion of the system be given to the hospital at no cost and that the hospital reimburse ADT for any expenses incurred in splitting or revamping the system.

G. J. Simon.

HE

Mr. Maxey

When I last spoke to you about Beth Israel—you were to obtain additional information from Mr. Caffery (by letter) and possibly furnish a plant estimate indicating what was to be done with the present system and the estimated costs of conversion. Any progress. G.J.S., 10/21/52, (Handwritten).

[fol. 6248] In United States District Court

Defendants' Exhibit 85

File

December 9, 1952.

Mr. C. S. Hammergren
Plant Superintendent

Re: Beth Israel Hospital, 17th Street and Livingston St. New York, N. Y.

The Central Station Tour and Fire Alarm Service which we have rendered for many years in the above noted premises will shortly be discontinued by the subscriber, and a local interior fire alarm system will be installed by the Acme Fire Alarm Company. We have received a request from the

Acme Company requesting Plant help in their examination of the present system. We attach hereto their letter of request so that you may take whatever action on the matter which your judgment dictates.

W. J. Doyle.

jvc

Received December 9, 1952. Gen'l Comm'l Mgr.

[fol. 6249] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 86

RUTHERFORD, NEW JERSEY

April 8, 1957.

Mr. W. J. Doyle
District Sales Manager

Re: Duro-Test Corp., Secaucus Road, Secaucus, New Jersey

I recently lost the Burglar Alarm Service proposal to the Victor Company. Victor B.A. is following the same pattern as they followed in the Mainway Warehouse location and Wyeth Laboratories, namely: direct connection to police headquarters, service on a round-the-clock basis with, I understand, response of one of their representatives in the event of an alarm condition.

It is interesting to note that both Duro-Test and Mainway are subscribers to our fire services and were lost to Victor as a result of the recommendations made by the Wyeth Laboratories plant manager.

We have been successful in competing with Electro Protective Corporation who offers essentially the same service, the most recent job we secured being Hubert Warehouses, and I am currently negotiating on four other jobs involving this direct-connection type of local competition.

I was unable to secure the figures which Victor Burglar Alarm submitted and contracted for.

E.P.C., Hammond and Victor now have fulltime men operating in the Hudson-Bergen County areas and they present

a problem which is difficult to cope with as regards the service charge and type of service they are prepared to render.

I will keep you informed of any further competitive developments.

William R. Boos, Sales Representative.

WRB:JU

In dupl.

[fol. 6250] In United States District Court

Defendants' Exhibit 89

Rutherford, N. J.

July 29, 1958.

Mr. J. B. Bodley
Mr. W. J. Doyle
District Sales Manager

Re: Globe Products Co. Inc., Webro Road, Clifton, N.J.

On Monday, July 21, 1958 we were informed by telephone by Mr. Curt Lillienfeld that N.D.T.-Owl had been awarded the contract to provide SS&WF, MFA & BA services at the above location.

This came as a distinct reversal of thinking since Mr. Lillienfeld had assured me as far back as April 30 that ADT would get the job and that Globe were still trying to decide how far to go with the burglar alarm services.

My original solicitation dates back to January 9, 1958 when I found out through my contact with Mahony-Troast that this firm was constructing a new building in Clifton. My letters of January 9, 1958 to Mr. Becker, President who referred me to Mr. Lillienfeld and Tom Thorpe, Engineer and subsequent correspondence dated 3/3/58, 4/16/58, 7/2/58. During which standard costs had been offered and subscriber had been "sold on ADT". (Have AFA in Brooklyn plant at 330 Morgan Avenue).

On 6/30/58 Lillienfeld said he had just received costs from NDT-Owl which were much lower than ours and that I should "sharpen my pencil if I wanted to obtain his busi-

ness". It was at that time that Lillienfeld said he had been talking with Jim Reichelt of Pfizer and that they had decided against ADT and that if this NDT-Owl arrangement was acceptable to such a large company, (I had withheld the information that we had lost out on Pfizer utilizing the fact that they were an executive account and that I did not handle negotiations) Globe would give them further consideration.

As late as July 9, when I was in Mr. Lillienfeld's office in Brooklyn and he passed on $2,030.00 Advance and $1,022.00 Annual figures and I gave him my $1,722.00 Advance and $1,291.00 Annual costs, at which time I assured him of a schematic wiring layout so that he could get costs from National Electric, I expected to get this job primarily because of our guard response and record of openings and closings.

On 7/10/58 (the next day) I brought a 401 request for schematic wiring diagram to the Paterson Plant Dept. with the verbal notation that this was urgently required as I was in competition with NDT-Owl. On 7/18/58 (Friday) Joe Parkin said he would have this diagram completed if I stopped at his office after 4 P.M. to pick it up.

On Monday 7/21/58 at 9 A.M. I called Mr. Lillienfeld that I had the layout (letter including large list of other ADT subscribers in Clifton) and would like to bring it right to Brooklyn. It was then that Lillienfeld said I "was too late, they had awarded job to NDT-Owl".

[fol. 6251] In spite of the fact that I told Lillienfeld that he was taking a "Rube Goldberg" in which he would not have a record of openings, etc., he said Globe decided to follow the pattern of Pfizer.

I had previously spoken to FIA (Gib Allen) and the schedule rating office and they both agreed that if NDT-Owl put in a standard retransmission set in Clifton Headquarters they would give full recognition.

Charles H. Sanders, Sales Representative.

CHS:h

Att. Competition report.

CC—Mr. F. Concannon.

[fol. 6252] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 95

August 6, 1951.

Mr. R. Brechbill
Mr. John Hannon,
Assistant Secretary

Auxiliary Fire Alarm Service, Trenton, New Jersey

In answer to your letter of July 13, 1951, we received the following report from Commercial Superintendent Doyle:

"As of this date, contracts for conversion to ADT service are in the hands of the American Steel and Wire Company and the Trenton Potteries Company.

"The American Steel and Wire Company contracts have received local approval and we hope to secure these agreements within the next two or three weeks.

"Trenton Potteries has developed to the point that they are contemplating replacing the Auxiliary Service with regular ADT service in one of their plants and replacing Auxiliary service with Aero Service in another plant. We believe that a decision will be forthcoming in this matter in about a month.

"We are also awaiting, at the present time, Plant Department estimates on all of the State Institutions and we will submit prices as soon as they are received."

A. E. Smith, General Commercial Manager.

AG

CC: Mr. T. I. Young, Mr. R. Brechbill.

Received August 6, 1951, Gen'l Comm'l Mgr.

[fol. 6253] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT 98

OMAHA

January 5, 1952.

N.Y.

M. A. E. Smith.

CC sent to you on 1/7/52. (Handwritten).

Mr. Dooley:

First National Bank, Omaha, Nebr.

This subscriber is giving consideration to the discontinuance of our Phonetalarm and Police Call services, and the installation of a local alarm system to be purchased outright. They have received a quotation from Diebold in the amount of $5000 covering outright sale of local vault protection and eighteen police call devices.

To assist me in combatting this discontinuance, will you kindly furnish me as promptly as possible (1) list of banks using* our BA service, and (2) an analysis of the advantages of ADT central station vault protection vs local bank vault alarms.

M. E. Hubert, Commercial Representative.

* We assume your office has or will send this list directly to Mr. Hubert.

W. W. Dooley, 1/25/52.

[fol. 6254] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT B8

CLEVELAND, OHIO

March 21, 1961.

Mr. L. J. O'Brien
General Sales Manager

Competition—Erie, Pennsylvania

Once again the Gamewell people have become very active in Erie, particularly with The Erie Resistor Company. In our attempt to renew agreement for SSWF Service, for two locations, we were told that the existing service will be cancelled and the Gamewell systems installed and connected to the City Fire Alarm circuit. It is also our understanding that the City of Erie will furnish monthly inspection service of the systems gratis.

Mr. Munch of the Erie Resistor Company further alleged that he personally knows of five or six other plants, that now use ADT service, are also planning to install the Gamewell systems when existing agreements expire. If true, this is a very serious situation. We can ill afford to lose any subscribers to Gamewell, particularly in a city the size of Erie as our potential is very limited and additional business is most difficult to secure.

In reviewing our file on this, we note a letter from Mr. A. W. Sullivan dated June 30, 1959 regarding this subject in which he requested that he be notified in the event a recurrence of Gamewell's activities should arise and copy of this letter is to be taken as notification.

All indications point to Safety Director M. Cannavino as the instigator and proponent of the Gamewell systems. In 1959 our Mr. Procaccini had secured a promise from Mr. Cannavino that no additional Gamewell or other systems would be permitted to connect to city circuits. However, Mr. Cannavino is now seeking the nomination for Mayor and Mr. Nelson Walker, prominent insurance broker, has made the statement that Gamewell Company has contributed to Cannavino's campaign funds.

Mr. Procaccini, Night Service Superintendent, and I plan

to visit Erie Wednesday of next week to attempt to see the Safety Director and attempt to dissuade him from any further committments to Gamewell. Also, we will visit the Chamber of Commerce and apply for membership for Manager Ostberg with the understanding that he be placed on the Safety Committee thereby being in a position to advance and protect ADT interests.

[fol. 6255] I have contacted the Boston Manufacturers Insurance people here and to the best of their knowledge, this account is placed direct in Boston, therefore, it may be to our benefit to contact the Boston people and get their reaction to this substitution of Gamewell for ADT.

A. S. Jacks, District Sales Manager.

ASJ/aw

cc: Mr. A. W. Sullivan, Mr. A. E. Procaccini, Mr. W. J. Dow.

[fol. 6256] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT B9

November 21, 1960.

Confidential

Mr. L. J. O'Brien
General Sales Manager

Competitive Advertising

As you know, I am particularly interested in the advertisements run by various organizations engaged in the field of protective signaling, especially with regard to style of the ads and media used. However, as discussed with you recently, it seems likely that indications of the markets sought after by various organizations in this field can be determined by a scrutiny of advertising literature.

For instance, although the Gamewell Company (a subsidiary of E. W. Bliss Co.) is primarily known as a vendor of municipal fire alarm systems, over the past few years there has been a growing effort on the part of Gamewell to

go into the electric protection of private plants. Attached is exhibit A, an ad which appeared in the October, 1960 issue of Factory magazine, which shows that Gamewell's interest is not exclusively in street box alarm system, but is extended to private alarms connected to municipal fire departments. The Gamewell Flexalarm System described in his advertisement has also been offered for sale by Gamewell in many other advertisements, a few of which are attached as exhibit B, National Safety News, September 1959; exhibit C, National Safety News, April, 1960; exhibit D, National Safety News, March, 1960 and exhibit E, National Safety News, September, 1960. Also attached as exhibit F, is a publicity story about a Gamewell installation in a Winston-Salem, North Carolina furniture plant, that appeared in the September, 1959 issue of the Hose and Nozzle magazine, which describes a Gamewell waterflow alarm connection. Gamewell is competing with us in automatic fire alarm and waterflow alarm systems.

The Edwards Company of Norwalk, Connecticut is widely known as a vendor of local fire alarm systems. However, as pointed out in exhibit G, an ad appeared in National Safety News, October 1960, all Edwards industrial fire alarm systems can be connected to municipal fire headquarters.

[fol. 6257] Exhibit H, an ad for the Mosler Safe Company that appeared in the 1960 Chain Store Equipment Directory Issue, suggests that Mosler Safe Company, normally considered to be noncompetitive with ADT, offers to sell alarms similar to our Telapproach system for the protection of safes.

Pinkerton's National Protection Agency, Inc., is normally thought of as noncompetitive with ADT. However, in the October, 1960 issue of Factory magazine, Pinkerton's advertising recommended "payroll-saving electronic security devices whenever possible," which indicates that Pinkerton's too is ready to compete with us in the alarm signaling business. This ad is attached as exhibit I, and a second Pinkerton ad that appeared in Factory magazine (I do not have the date of issue) also promotes the idea that Pinkerton's can provide electric protective devices as well as guard forces. This is attached as exhibit J.

The Standard Electric Time Company of Springfield,

Massachusetts, despite its name, offers for sale automatic and manual fire alarm systems, which can be direct-connected to municipal fire headquarters, as indicated in the copy on exhibit K, an ad which appeared in the July, 1959 issue of Architectural Forum.

Other companies not usually associated with the rendering of alarm services, but with the manufacture of alarm and extinguishing devices, are engaged in the electric protective signaling field. For example, the Walter Kidde Company is shown on page 134 of Factory magazine for October, 1960 to be marketing a proprietary console similar to those offered for sale by ADT. This indicates that Kidde is now engaged in the sale of proprietary systems, including consoles, which is a relatively new development as far as I know. This article is attached as exhibit L.

The point of my letter, and the attached exhibits, is that the field of electric protection signaling is not confined to central station service nor is our competition restricted to other organizations which render central station services. [fol. 6258] The electric protective signaling field embraces central station direct-connected local and proprietary alarm and supervisory systems, all offered by ADT and many offered by other companies in the United States. The fact that we have for many years offered for sale direct-connected, proprietary and local systems may not be generally recognized, because we have devoted our advertising and publicity efforts primarily to promotion of the central station concept.

J. J. Caffrey, Manager, Sales Promotion & Advertising.

[fol. 6260] In United States District Court

Defendants' Exhibit B11

Erie, Pennsylvania

5/19/59.

Reply to Letter of: 5/12/59

Mr. A. S. Jacks
District Sales Manager

Re: Gamewell Competition, Erie, Pennsylvania

In reply to Mr. Bugbee's letter dated 5/12/59, the following information is submitted with regard to the Gamewell situation here in Erie, Pennsylvania.

Briefly, Gamewell has become very active in Erie during the past five years. In exchange for an outside MFA box, the city agrees to supply a free circuit to the subs premises, receive and act upon all Waterflow signals, and maintain the circuit.

The insurance credit picture is difficult to ascertain in that in the cases of which I am most familiar, it was the acceptance of Gamewell in lieu of watchmen or a reduction in the watch force rather than actual credits which has enabled this organization to gain headway.

The Erie Resistor Company here has four plants. At one time, we had all four with SS&WF service. When the agreement expired on one of these plants approximately one year ago, management dropped ADT and put in Gamewell. We are cautiously awaiting renewal time on the others as management had indicated that although they are satisfied with ADT service, they are abandoning it in favor of a non-recurring cost service which Gamewell can provide. Evidently, Factory Mutual is giving them the same break as regards insurance or at least one which still appears favorable.

Zurn Industries, Inc., a subscriber held on reservation by Mr. Carr as I moved into the Erie territory, was in the process of being hooked up to the city circuit with Gamewell on April 1st of this year. We lost 32 units of SS&WF. As in the above cases, I was not involved personnaly, and

[fol. 6261] therefore, cannot give full particulars regarding the insurance set-up. However, the following case is one which provides substance for thought.

Bucyrus-Erie Corporation requested a quote for SS&WF to meet Factory Mutual requirements. Our proposal for this warehouse encompassed the usual supervision on valves, pit, and air, in addition to the waterflow. Our costs were $1644.00 to install and $950.00 annual service charge. Gamewell received the job for an installation cost of $600.00. Mr. R. L. Curtis, plant manager, explained that Factory Mutual accepted gamewell on the condition that one guard from the main plant make just one check of the warehouse one hour after closing.

Apparently, it is not so much a reduction in insurance rates that we are combatting, rather as I mentioned, acceptance of Gamewell in lieu of watchmen, with the rate remaining the same for either Gamewell or ADT Service. Of course, with this being the case, potential subs naturally go for the non-recurring cost service which happens to be Gamewell.

On April 28th, I arranged a luncheon with Mr. Procaccinni, Cleveland District Operating Superintendent and Mr. Michael A. Cannivinno, Erie Safety Director, who, incidentally, happens to be a very powerful behind the scenes politician here in Erie. He maintained that he was unaware of the free service being given by the City Electrician, Mr. Niece. Mr. Cannivino, himself, suggested that possibly Mr. Niece might be being reimbursed for his efforts. Mr. Procaccinni and myself emphasized the arguments for ADT Service and the liabilities of protection systems serviced by the City. Mr. Cannivinno promised that he would do something about this matter and would attempt to have a joint meeting with his city personnel and ADT representatives to hear both sides. He has delayed this matter until after the primaries, May 19th (Mr. Cannivinno is also on the city council). I am to contact him shortly after this date and will do so later this week.

I have been in close contact with the middle department here in Erie, however, Mr. Davis, Manager, does not handle sprinklered properties. He is under A Mr. Robert Merz, Superintendent, 401 Walnut Street, Special Risks Department, Philadelphia, Pennsylvania. I have had lunch with

[fol. 6261] the field representative, Mr. George Kahle, but have not been able to secure any answers to my satisfaction. Evidently, his power is very limited.

We will continue to work on the city in an effort to persuade them not to accept any more alarms and, if possible, to abandon their existing alarms.

I will be happy to supply you with any additional information you may desire.

R. J. Dellinger, Sales Representative.

[fol. 6262] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT B12

ERIE, PA.

3/7/59.

Mr. Ray Brechbill
Asst to Genl Sales Mgr

Mr. A. S. Jacks
District Sales Manager

Re: Gamewell Co.

On April 1st, I was informed by Mr. North of the Erie Fire Department that they were in the process of hooking up Zurn Industries, Inc. by city circuit to Gamewell waterflow service. This corporation has two locations and our combined prices on this job were $4500. to install and $2150. per year annual service charge. Gamewell got the job for $4500. The same insurance credits were given.

Today, I called on Mr. Curtis of Bucyrus-Erie Corp. and was informed that they decided to utilize Gamewell service at their main warehouse. Our proposal met Factory Mutual requirements and was $1644. to install and $950. per year. Gamewell took the job for $600. Again, the same insurance credits were given.

I know you are aware of the situation regarding the activities of the reference company here in Erie but I

strongly feel that immediate and concerted efforts should be made to present our arguments to the city officials.

Any further delay in this matter will result in losses which cannot be regained. Shall I take it upon myself to contact the City or can I expect assistance from your office?

R. J. Dellinger, Sales Representative.

[fol. 6263] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT B13

May 12, 1959.

Mr. A. S. Jacks
District Sales Manager
Cleveland, Ohio

Gamewell Competition—Erie, Pennsylvania

Sales Representative Balestrino indicated that in some cases Gamewell auxiliary waterflow alarm service was receiving the same insurance credit as central station service in Erie. I forgot to discuss this with you last week.

I noticed a report from Operating Supt. Procaccini concerning a call on the Safety Director regarding the Gamewell connections in Erie.

If you will give us specific details, we can then take this matter up with the Middle Dept. in Philadelphia.

R. M. Bugbee, Assistant Director of Public Relations.

RMB:mp

[fol. 6264] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT B17

WASHINGTON, D. C.

May 5, 1958.

Confidential

Mr. J. B. Rustic
General Superintendent
Operating Department

Auxiliary Fire Alarm Systems, City of Pittsburgh, Pennsylvania

Supplementing previous correspondence and discussion on the situation at Pittsburgh, where the City Officials permit the connection of interior fire alarm systems to their City fire alarm system through the use of Gamewell master boxes and/or Gamewell auxiliary boxes, our Pittsburgh people, Mr. Heisley and myself, have been prevailing upon the Pittsburgh City Fire officials, to discontinue that practice and for the City to get out of the business of furnishing free fire alarm services to commercial and industrial businesses.

Frankly, we did not appear to be making much head-way. Mr. Heisley and myself came to the conclusion that we must determine whether or not it would be in our best interests to go to the Mayor of the City of Pittsburgh and the City attorney, with our problem. We expected that in going to Mayor Lawrence, he would refer us to the Director of Public Safety, Mr. Rosenberg, to whom both the Chief of the Fire Department, Mr. S. Adley, and Mr. J. Kilgallen, Superintendent of the Electrical Bureau, report. Mr. Heisley and myself went to Pittsburgh on Thursday, May 1, 1958 and had a luncheon meeting with Messrs. Adley and Kilgallen and also Fire Marshall Faye, of Chief Adley's Department. Manager Young and Sales Representative Spreadbury were also at this meeting.

Messrs. Adley, Kilgallen and Faye are well aware of our thoughts and the reasons for the City of Pittsburgh to get out of providing free fire alarm services to commercial busi-

nesses. They appear to be sympathetic to the situation. Chief Adley is the one who approves the connections for these auxiliarized systems. Both Messrs. Kilgallen and Adley implied the instructions came from higher authority. Mr. Kilgallen feels such systems are better than none, has agreed that they cost the City of Pittsburgh an appreciable [fol. 6265] sum of money; that the present City fire alarm circuits are now overloaded and that a number of these auxiliarized systems were hardly ever tested. Mr. Kilgallen stated he and Chief Adley had started to discuss this situation with Safety Director Rosenberg but had been rebuffed, and were forced to let the matter drop.

Both Chief Adley and Superintendent Kilgallen of the Electrical Bureau advised us to let this matter rest until a later date before going to the Mayor or Mr. Rosenberg. They definitely advised us we might well get into a publicity situation in taking our problem to Mr. Rosenberg. That, the publicity Mr. Rosenberg might create might embarrass ADT or the Pittsburgh Fire Department, or both. Manager Young had also been to see Mr. Davis, a former Chief of the Pittsburgh Fire Department, a former councilman and now Sheriff of Allegheny County. Mr. Davis advised Mr. Young to keep away from Mr. Rosenberg.

Mayor Lawrence of Pittsburgh is a strong candidate for the Governor of Pennsylvania. Politically, it is rumored that should Mayor Lawrence succeed, Director Rosenberg might be appointed a councilman and Chief Adley of the Fire Department succeed him as Director, or Chief Adley be appointed a councilman and the new Mayor select a new Safety Director.

Chief Adley and Superintendent Kilgallen will provide us with a list of all the auxiliarized and master box connections. Mr. Kilgallen stated there were approximately 45 such connections as of this writing with several more approved applications on hand, pending completion of the interior fire alarm systems. This would represent an increase of approximately ten systems within the last year. Mr. Kilgallen stated that they had three auxiliary systems up until approximately ten years ago when they began to receive an ever increasing number of applications for connection to the City fire alarm system.

We all feel we will have to keep trying until we find a common friend of ours and Mr. Rosenberg's, before we would know whether or not we could obtain a sympathetic hearing with him. We also feel that we should wait until after the primary elections before we go to see Mayor Lawrence on this subject.

F. T. Turner, District Operating Supt.

FTT/m

cc: Mr. E. J. Heisley, Mr. D. A. Young, Mr. H. R. Eakin.

Detach—original circulated, G 5/6/58.

[fols. 6266-6267] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT B18

NEW HAVEN, CONN.

April 11, 1958.

Mr. L. J. O'Brien
General Sales Manager

Olin Mathieson Chemical Corp., New Haven, Conn.

The attached agreements result from an extended negotiation of approximately one year, and will require the following explanation.

Due to competition of proprietary systems, specifically Gamewell, Autocall and the subscriber itself, in their attempt to buy and install their own system, it was obvious from the outset that we would have to judiciously handle the matter of pricing. It was decided by our plant department, that the installation could be better handled by the use of our W. F. and Transmitter device #6123. This however, would have produced and unsupportable unit count, therefore Mr. Alex Gaston secured managements approval for the formula of counting one transmitter for each four sprinkler risers. Our form 400 is made up on this basis. We have taken the plant count of 108 wet risers plus 27 transmitters (1 transmitter for each 4 risers) plus 8 dry

systems with individual transmitters for waterflow and air pressure. The unit count on this basis totals 167, and understandably the plant department shows a total of 248 units because of counting each #6123 device as two units.

There is a discrepancy in the count of risers involved but I have inserted a clause to cover this anticipated condition. This originally developed when the subscriber's engineering department contested the number of risers indicated from my original survey. They conducted their own survey and arrived at a count of 14 wet risers and 5 dry risers. I prepared contracts based upon their count and the contracts as signed reflect their count of risers.

The plant department survey disclosed 108 wet risers and 8 dry risers and their count is based upon this number plus the transmitters for each riser for individual recording.

This negotiation was quite involved because of the many individuals concerned and brought the executive branch of the parent company into play for the subsequent approval of our contract. The additional clauses in the contract were added at the insistence of their executive legal department. The clause relative to the amortized money was necessary and the amount was arrived at by mutual agreement to satisfy this condition and secure approval of the contract by their executive office. They had contested our annual service charge and it was necessary to indicate that there was a large installation cost. It would not have been consistent to attempt to show a small amount to be amortized when forced to indicate some figure to meet the legal department's requirement.

Summarizing, it is apparent that we have a good contract [fol. 6268] at substantial revenue that has had prior approval by our management as arranged for by Mr. Alex Gaston. Any further activity will now be at the local level where I can secure full cooperation. Any correction in contract can be now easily handled if found to be necessary. The difficulties in getting the approval of their executive office have been overcome.

Therefore I would ask that the contracts be approved as written and 3 approved copies be returned to me for transmittal to the subscriber. If there is any need to correct the

#400 please do so and send copies of any corrected form to us for our record.

Robert T. Warner, District Sales Manager.

RTW/S

Copy for A. Gaston, National Accts. Dept., New York, N.Y.

[fol. 6269] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT B19

SEATTLE, WASHINGTON

March 28, 1958.

Mr. A. W. Sullivan, Director
Public Relations Department

Competition—Fire Alarm Service, City of Portland, Oregon

Auxiliary Fire Alarm Systems Connected to Municipal Circuits

Confirming our telephone conversation today regarding our competition problem in the city of Portland, to again outline it to you briefly, up until this week we had secured verbal approval of two very fine contracts for the installation of our Central Station Service, one to the Waterway Terminals and one to Meier & Frank Co., Inc. (Lloyd Center).

The Waterway Terminals contract was for Watchman's Security and Sprinkler Supervisory and Waterflow Alarm Services with an advance connection charge of $12,000.00 and an annual service charge of $6,240.00. The Meier & Frank (Lloyd Center) Contract had an advance service charge of $12,820.00 and an annual service charge of approximately $8,055.

Since receiving verbal approval on these two contracts, we are very sorry to report to you that both of our proposals have been rejected as the city of Portland is going to allow these two prospects to connect the fire alarm signals to the

municipal fire alarm circuit and they are also going to allow supervisory signals to come into the Portland Fire Department on a separate transmitter.

The other very disappointing part is that the Oregon Rating Bureau is going to allow both of these companies practically central station credits as the Gamewell Company have assured the Rating Bureau that a service contract is to be negotiated with the two prospects whereby they will take on the responsibility of maintaining and supervising all of the above-mentioned services.

[fol. 6270] I am attaching a photostatic copy of the proposed contract and I think that after you review it quite thoroughly you will find that the Bureau has no alternative other than to allow these credits.

While we are all very disappointed about this proposed change I can assure you that we, in this district, are not taking our challenge lightly. While it is absolutely impossible to change the thinking of the Alarm Superintendent, Mr. Carl Mulanax, which has also been tried by representation from your office, we are still working on the competition problem harder than ever.

Our next step is to see the Commissioner of Public Safety and review the entire transaction with him to see if he can give us some assistance with this problem as both the supervision of the Fire and Police Departments come under his jurisdiction. As you have read in the papers in the past year, the government situation in Portland is in a very shaky predicament. Nevertheless, we are going to work on the problem very diligently and will keep you posted.

If you can be of any assistance to us or lend any suggestions regarding our problem, your cooperation will be appreciated very much.

W. J. Dahl.

WJD:MJ

cc—Mr. B. Crane.

[fol. 6271] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT B20

CLEVELAND, OHIO

March 25, 1958.

Mr. A. S. Jacks
District Sales Manager

Re: Competition

The following is in answer to your letter of March 6, 1958.

Our main competitor in Cleveland is, of course, the Morse Alarm Company who offers all types of Central Station Services and the majority of them are approved in the same category as A.D.T. services. In general their prices are much lower than ours and in some instances, especially in larger jobs with name accounts, they go as low as 45% below our standard annual charge. Their advance charge in these instances seem to be about 40% of our standard charge. To my knowledge they have four full time salesmen; namely, Messrs. H. O'Brian, Sam Goldblum, Bruce Murphy and Charles Bebout. They also have two part-time salesmen and one of these men is Mr. Jerry Stammer. In addition to Central Station Services, Morse sells Local Burglar Alarm Service under the names of a number of different companies which they have purchased.

In addition we get competition from other local alarm companies; such as, Alert, Safeway and Security. Alert is owned and operated by Mr. Joe Siegel, who is a former Morse salesman; Safeway is owned by a Mr. Spahlinger and Security is owned by Mr. Mike Singel, who is a full time policeman on the Cleveland force. Alert and Safeway sell on a leased basis while Security specializes in outright sales alarms. We periodically receive leads for Central Station Service from both Mr. Spahlinger and Mr. Singel and have at times referred their names to prospects to keep this business from going to Morse. I would like to add that it still seems as though A.D.T. should have a Local Alarm Service to compete in the $8.00 to $10.00 a month category as there

seems to be an increasing demand for this type of service due to the frequent break-ins and the high cost of Central Station Service.

Most of my experience in competing for direct-connected services has been in trying to sell fire service in both Lorain and Sandusky. In both cities we have been blocked by the local officials as they are very much in favor of Gamewell which is already established. All that the subscriber has to do in those cities is to pay for the Gamewell equipment [fol. 6272] and then he is given permission to hook into the existing City circuits and existing receiving equipment in the fire stations. My other experience with direct-connected services was with the loss of Burglar Alarm Service at the M. O'Neil Company in Sheffield Township. They turned down our service in favor of outright purchase of Ultrasonic equipment from the Walter Kidde Company and hooked this equipment up to the sheriff's office in Elyria.

H. E. Peters, Sales Representative.

HEP/ms.

[fol. 6273] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT B21

BOSTON, MASS.

October 15, 1957.

Mr. L. J. O'Brien
General Sales Manager

Insurance Relations—Factory Insurance Association & Factory Mutuals

In reply to your request dated October 9, 1957, I am submitting the following information which will serve as answers to the questions posed by Mr. A. W. Sullivan in his letter addressed to you on the above subject.

There is generally a close relation between our salesmen and the F.I.A. and FM field people. There is not any way to judge whether one group is friendlier than the other, except we are seemingly more involved with FIA in a greater number of negotiations.

The FIA invariably insists on gate valve supervision and IP (room temperature) whereas the FM group does not seem concerned with even room temperature supervision and only in recent years have they insisted upon gate valve supervision but it is apparent that they are beginning to insist in this latter item in the matter of direct-connected service. Both groups seem willing to accept either Gamewell or ADT connection which, of course, poses a competitive situation. The FIA state that where ADT Central Station Service is available they would indicate this as a preference; however, there are a few instances where they have accepted direct-connected system within our central station areas.

The FM group seemingly accepts a proprietary type system and permits a reduction in watchman's patrols. A case in point is now under negotiation in New Haven, Conn. The Olin Mathieson Company has the choice of buying a proprietary waterflow alarm system or leasing ADT central station waterflow service and the reduction in their payroll cost will be the same.

We in the field have been the recipients of the result of a lot of good work done by Mr. A. W. Sullivan and have seen great improvement that could only suggest that efforts be continued with each group, emphasis being placed on the continuance of continuous maintenance and inspection by [fol. 6274] the alarm company. This would assist in meeting competition and would remove the "free ride" when a Gamewell connection is accepted.

We think that the FM group is a little quick to settle for a bit less than the FIA does and this would indicate they may require additional attention.

District Sales Manager.

RTW:y

[fol. 6275] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT B24

COLUMBUS, OHIO

June 7, 1956.

Mr L J O'Brien

Mr. C. L. Chafee
District Sales Mgr.

Competition—Columbus, Ohio

This refers to a letter I wrote to you on June 2, 1955, regarding Factory Mutuals Insurance Companies sponsorship of Gamewell Direct Connect systems in Columbus. Additional correspondence on this matter was Mr. A. W. Sullivan's letter of June 13 to Mr. T. I. Young, and my letter of June 20, 1955 commenting on the above letter of Mr. Sullivan's.

A few days ago one of the people at the Ohio Inspection Bureau advised us that they understood that the Columbus Fire Chief had approved, in writing, a direct connect Gamewell connection from the Columbus Engineering Co. to the Columbus Fire Dept. The Columbus Engineering Co., which is one of the concerns involved in the above correspondence, is only a few blocks away from our central station. As I had talked to the Fire Chief previously on this matter, and as he had definitely said that he would not permit such a hook-up, I was very much surprised to hear of this.

In company with Mr. Negley, Operating Department Manager, I called on Fire Chief Strickfadden yesterday. He admitted that he had given such permission and said that he had done so because of recommendations by other people. From this I assume that some pressure was brought to bear which influenced his decision. I reminded him again of the difficulties we had with the McNally Co. here and also of the unsatisfactory water flow alarm hook-up which they had some years ago with the Orr Brown and Price Company. I told him further that he might find himself saddled with considerable difficulties due to false alarms

from surges and lack of maintenance of sprinkler systems, if they were going to let down the bars and allow such hook-ups by outside concerns. The Chief said that he would not permit any more of these direct connects, but, as I told him, if he allowed one in he would, of necessity, [fol. 6276] have to permit other concerns to follow the same procedure. The Chief was rather apologetic about the matter but as he has already given written permission he can do nothing further about it now.

I understand that the Factory Insurance Association had also been soliciting this particular concern but that they had insisted on either ADT Central Station Waterflow Alarm or a watchman. Of course, the Factory Mutuals, by promoting Gamewell direct connect, were able to obtain the business at much less cost to the customer as there will be no annual maintenance and inspection charge for the direct connect system. Such costs will be borne by the city. It is indeed unfortunate that the Factory Mutuals recommended and approved such a connection in the downtown Columbus area and I anticipate that we will lose other business because of the precedent they have now established.

G. B. Fosmire, Sales Representative.

GBF:jaa

[fol. 6277] In United States District Court

Defendants' Exhibit B30

Cincinnati, Ohio

September 24, 1954.

Mr. A. E. Smith.

Mr. C. L. Chafee
Commercial Superintendent

Mr. R. Bugbee, on the staff of A. W. Sullivan, New York Executive Office, was in Cincinnati Tuesday to Thursday, September 21st to the 23rd, concerning the Spurling and Notifier Companies' installation in the City Communications Headquarters. Mr. Bugbee visited the Communica-

tions Headquarters and discussed with Mr. Jones, Superintendent of Communications, and Mr. Nightingale, Assistant Superintendent, various things concerning this type service. Nothing was learned that has not been already reported to you by Mr. Hopf.

Mr. Nightingale showed us the equipment that had been installed by the two companies. They have evidently to date sold no service, as nothing has been connected into either receiving unit. Mr. Jones and Mr. Nightingale do not seem to be too well pleased with the set-up. However, they are going along with it, and their contract with the two companies has a thirty-day cancellation clause which they expect to exercise in the event the equipment does cause trouble.

Mr. Bugbee also visited the Ohio Inspection Bureau and was advised that their equipment would be allowed certain credits; 14% on Automatic Fire Alarm, and 10% if there is any deviation from a standard installation for direct-connect service. Since sprinkler service is judgment rate, no discounts can be furnished. All credits are based on these companies providing maintenance and monthly inspection, and credits will be given if they live up to all standards.

Mr. Bugbee also called on the Hilberg Company with me where I had run into competition from the Spurling Company. Upon presenting our standard contract to the subscriber, they stated that they had been contacted by the Spurling Company and had been offered direct-connect service for approximately half of our old rate which is $601.00 on the contract that expired 8-1-54. This subscriber's insurance carrier advised them that they would be given the same credits for direct-connect service as for ADT Central Station. Their insurance carrier is Manufacturers' Mutual. In view of subscriber's attitude, I was successful in getting a one-year contract at the same rate, which was forwarded to your office September 23rd.

If there are any developments forthcoming, we will keep you advised.

D. M. Gates, Commercial Representative.

DMG/rk

[fol. 6278] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT B33

September 15, 1954.

Mr. O'Brien

Mr. A. W. Sullivan
Executive Representative

Notifier Manufacturing Company

I am sending along to Mr. O'Brien for the competitive files your letter of September 9 advising of the activity of the Notifier Company in Pittsburgh, Pennsylvania.

If our people are not already aware of the activity, I assume that Mr. O'Brien will see that they are.

I know of no action that we can take in this Notifier competition, except that which is well known to all of our commercial people, i.e., to represent to the municipal fire authorities the superior quality and reputation of the central station service and, thereupon, to fight the Notifier Company, on a job-to-job basis for the business that is worth having.

In the last analysis, the municipal authorities must decide for themselves the extent to which they desire to make available to others, including ADT, the facilities of the municipal fire headquarters. The authorities frequently are faced with political pressures that are hard to resist and we must expect to find, as we have, that from time to time, fire departments will permit others to effect certain direct connections to fire headquarters.

The saving grace in the situation lies in the fact that frequently neglect of the subscriber's fire protection equipment leads to abuse of the municipal facilities, with increasing resistance on the part of the authorities to permit further connections.

J. A. MacDonald, Vice President.

MRH

CC: Mr. L. J. O'Brien.

[fol. 6279] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT B34

September 10, 1954.

Mr. J. A. MacDonald
Vice President

Competition—Notifier Alarm Company, Spurling Automatic Fire Alarm Co.

Attached hereto please find a report from Mr. R. L. Hopf, Commercial Representative in Cincinnati to the effect it has been discovered that the two above mentioned competitive companies have each installed ten drop panels for direct-connected service in the Cincinnati Fire Department.

Also please find a report from Mr. P. C. Sherer of our Kansas City Missouri office to the effect that both of these competitive companies have installed their headquarters equipment in fire alarm headquarters.

To this information should be added the fact, recently reported, of Notifier installation in fire headquarters in Tacoma Washington.

These activities are all in lucrative central station cities and, though it is not clear to me at this writing what the insurance credit picture is here, nonetheless, with the price advantage they enjoy it does not leave us in a good position. I am advising Miss Phillips, during my absence, to pass on to you any additional information we may receive on this subject.

L. J. O'Brien.

AI

[fol. 6280] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT B38

CINCINNATI, OHIO

August 30, 1954.

Very Important

Mr. C. L. Chafee
Commercial Superintendent

Re: Competition: Cincinnati Fire Detection, Inc., Spurling Automatic Fire Alarm

Fire Protection Engineering Co., Notifier Fire Alarm

We submitted a renewal for Fashion Frocks, Inc., here in Cincinnati last week. Upon calling back on them, they informed us they had been contacted by a representative of the Spurling Automatic Fire Alarm System for waterflow supervision hooked up directly to the Cincinnati Fire Department.

Mr. Mulvaney, Assistant Manager, and myself immediately went to the Fire Tower where we were informed that not only has the Sperling Company installed a panel of ten drops for direct-connect service, but also the Notifier Fire Alarm Company has installed a panel with ten drops. To this date, we have been unable to find out what their rates will be or if they have secured any subscribers.

However, we believe that they must have some subscribers or at least some very good prospects in view of the amount of money they have spent in installing this equipment. This is the first time that the city has permitted direct-connect installation to the Fire Tower.

Mr. Nightingale, Assistant Superintendent of Communications, informed us that several other companies have also applied for permission to install direct-connect service. To this date, he does not know if any more have been approved or not. As soon as any other information is secured regarding this, we will forward it to you immediately.

R. L. Hopf, Commercial Representative.

RLH/rk

[fol. 6281] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT B40

ST. LOUIS, Mo. 6-9-54

Mr. Dooley

Mr. A. E. Smith:
Attn: Mr. L. J. O'Brien

You have my previous reports regarding this situation. It is tough to compete with them in our own backyard.

W. W. Dooley, Comml. Supt.

WWD:dp

ST. LOUIS, MISSOURI

June 8, 1954.

Mr. J. B. Rustic, Gen'l. Supt.,
Operating Department.

Competition—Lincoln, Nebraska

On June 1st, while in Lincoln, Nebraska, I called on Fire Chief Feaster and during our discussion, I made inquiry as to how he felt about the Fire Notifyer Company or others connecting on to the City Fire Alarm Circuits in order that fire alarms may be received direct at Fire Headquarters.

Chief Feaster took a very firm stand, that he would allow anyone who was desirous of doing so, to connect to the City Circuits as he was interested in receiving fire alarms, regardless of what method was used. I pointed out to him that I felt that he was in competition with us, since we maintained an office in Lincoln, employing several people and was also a tax payer of that City and County and that I did not feel that the Fire Department should permit connections to the circuits as stated.

Evidently, Commercial Representative, Mr. Blose of Omaha had also visited him recently and brought up the same question, as he referred to his files during my visit and read me a letter which he had written to the Mayor and Director of Public Safety and in which, he expressed the desirability of allowing various concerns to connect on to the City Fire Alarm circuits whose buildings were

equipped with sprinkler or some other type of fire alarm system.

He did indicate that he felt our system was superior but if an alarm meant their holding down the fire losses, he would not be too critical as to the type of system or the number of alarms received, whether false or otherwise.

As you no doubt know, the Fire Notifyer Company has headquarters in Lincoln and several times during our conversation, Chief Feaster praised the system highly as well as the personnel of that Company.

[fol. 6282] I have been calling on Chief Feaster on practically every visit to Lincoln during the past few years and this is the first indication that I have received that he was favorable to other fire alarm systems, other than ADT and am of the opinion that a considerable amount of cultivation will be required in an attempt to change his opinion, if it is possible to do so, and which I have reason to doubt.

D. H. B., Oper. Supt.

DHB:SS

cc: W. W. Dooley (2), J. F. Fryxell (2).

[fol. 6283] St. Louis, Mo.

June 10, 1954.

Mr. L. J. O'Brien:

Please change the word "our" to "their" in the last line of our notation on copy of letter dated June 8, 1954, subject "Competition—Lincoln, Nebraska", as written by District Operating Superintendent D. H. Barnett.

W. W. Dooley, Comml. Supt.

WWD:p

[fol. 6284] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT B92

NEW HAVEN, CONNECTICUT

September 18, 1952.

Mr. A. E. Smith
General Commercial Manager
New York, N.Y.

Atmo Competition—New Haven, Conn.

We have been negotiating a watchman elimination job with Shartenberg's Inc., 765 Chapel Street for some time. We are offering WF&SS and additional BA services at $2964.00 adv.s.c. and $1565.30 ann.s.c. for complete WF&SS, and $594.00 adv.s.c. and $257.00 additional BA. We were recently asked for a WF only proposal which we quoted at $1316.00 adv.s.c. and $746.90 ann.s.c.

Today, during a conference with Mr. Negrin, Vice Pres. of Shartenberg's, and Mr. Low and Mr. Sheckly of Schiff & Terhune, the insurance broker of record from New York, we learned that we are not only faced with Atmo competition but that there are some new angles which we wish to inform you about.

This is a sprinklered property with two wet and two dry sprinkler systems. Atmo has offered some automatic fire alarm in a few basement areas and a waterflow connection direct to Fire Headquarters. Apparently at the request of Shartenberg's, they have also offered supervision of the three main sprinkler shut-off valves (two city mains and one to the gravity tank) to be connected to Fire Headquarters. There are nineteen sprinkler shut-off valves which need to be supervised for a complete job. We can only assume that this connection of gate valves has been approved by Fire Chief Heinz.

Mr. Negrin stated that Atmo's installation charge was comparable to ours, but that their annual s.c. was only $84.00. We determined that this covered only four inspections a year with no maintenance.

Mr. Sheckly told us that the N.E.Rating Association

would allow slightly more credit for our complete WF&SS than they are now receiving for watchmen which was fine, but that unfortunately the penalty for WF only with watchman elimination was not enough to make much difference in the total picture. He said that, surprisingly enough to him, the Rating Association would allow watchman elimination with the use of Atmo at the same rate as the use of our WF only.

Mr. Negrin has been informed of the many advantages of our service over the Atmo installation, and appears to be pretty well convinced of the desirability of gate valve supervision. However, he states that the financial disparity is keeping Atmo in the picture. He said that the final decision rests pretty much with the Rating Association when they get additional information from them. Mr. Cook has been informed of this and planned to discuss the whole matter with the Rating Association in Boston.

[fol. 6285] We understand that the broker of record Schiff & Terhune, also place some of our insurance. Both Mr. Low and Mr. Scheckly seem to favor our service and to be very friendly towards us. We are wondering if anyone in your office could help by contacting them.

We are sending you two copies of this report in case you wish to direct one to Mr. Sullivan's attention. We are also sending a copy to Mr. Cook.

We will certainly keep you informed on any new developments and will appreciate any help or suggestions you can give.

Yours very truly, R. M. Bugbee, Commercial Representative.

[fol. 6286] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT B94

(Copy of Letter Sent to Mr. Fox of Anchor Motor Freight on August 15, 1952)

August 15, 1952.

Mr. B. W. Fox
Anchor Motor Freight—N.Y. Corp.
1001 W. Linden Avenue
Linden, N. J.

Dear Bart:——

About a month ago our Mr. Milton Koos discussed with your Mr. Clarson, the possibility of our installing Atmo Automatic Fire Alarm Systems in Building K and E, owned by the Darby Corporation, in lieu of the A.D.T. system which is presently in operation.

Today we have signed a contract with J. H. Scharff, Inc., manufacturers of the Atmo Automatic Fire Alarm Systems, for the installation of the Atmo Automatic Fire Alarm Systems for Buildings K and E. Therefore, we are giving notice of discontinuance of ADT Service in connection with Buildings K and E upon the complete installation of the Atmo System which will be approximately August 31, 1952. We shall sincerely appreciate that the discontinuance of A.D.T. would be simultaneous to the complete installation of Atmo. The definite completion date will be passed on to your Mr. Clarson by Mr. J. J. McAteer, Representative of the J. H. Scharff, Inc.

Under the Atmo system it will no longer be necessary to have the watchman or A.D.T. service for which we have been billed separately on a semi-annual basis.

A great deal of time was spent in analyzing costs of Atmo versus A.D.T., and we were pleasently surprised that there is a vast difference between costs of A.D.T. and Atmo. It might be very profitable for you to investigate Atmo at the termination of your present contract with A.D.T.

Sincerely yours, Koos Bros.

George O. Klemp, Executive Vice President.

GOK:bb

Registered Mail

[fol. 6287] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT B95

NEWARK, NEW JERSEY,

September 24, 1952.

William J. Doyle,
Commercial Supt.,
New York City

Re: Competition—Atmo, Linden Investment Co.,
Route 25, Linden, N. J.

The attached copy of a letter written by Koos Bros., which incidentally is an ADT SS&WF subscriber at their main store in Rahway (N. J.), indicates the fact that they have contracted for and are now installing an ATMO automatic fire alarm system which due to a heating problem in Buildings "E" and "K" is utilizing thermostats as a detecting medium.

Today, R. L. Clarson, Manager of the Linden Investment property called to state that the ATMO system will be completed in a week or 10 days and that he is going to send in a notification of discontinuance of our AERO tubing in the two aforementioned buildings which were sold to Koos Bros.

As you know, we endeavored to secure a contract for thermostat circuits to replace the existing AERO tubing but the Subscriber balked and at the advice of their insurance broker went to the J. H. Scharff, Inc. outfit for a direct-connected system to be connected to the Linden Fire Department. A review of the file will indicate the high prices we endeavored to secure by reference to my memorandum of June 18, 1952, as compared with those proposed by the ATMO people.

Copies of both this memorandum and the Koos Bros. letter of August 15, 1952, referred to in my first paragraph, are being sent to interested ADT personnel.

A. F. Clunan, Commercial Representative

AFC/f

In Triplicate

CC—A. E. Smith, General Commercial Manager, N. Y. C.,
Robert T. Warner, Asst. Supt. of Comm'l Development,

N. Y. C., C. S. Hammergren, Plant Supt., N. Y. C., W. Hubertus, Foreman, Newark, N. J., E. A. Kavanagh, Manager, Newark, N. J.

[fol. 6288] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C1

NEW HAVEN, CONN.

May 14, 1951.

Mr. A. S. Cook
Boston, Mass.

Atmo Competition—New Haven, Conn.

This morning, during the regular local news broadcast over New Haven radio station WAVZ, approximately five minutes was devoted to a recorded interview with Fire Chief Heinz who discussed automatic fire alarms in New Haven.

We heard this broadcast while driving to the office, so were not able to make notes with any completeness, but are able to quote the salient points from memory.

Chief Heinz stated that all of the recent large fires in New Haven, and most of the large fires in the Nation, could be directly traceable to delayed alarms summoning the fire Departments.

He went into considerable detail in describing the set-up wherein the automatic alarms are connected directly to the fire department in New Haven, the receiving panel in the alarm room which tells the exact location of the fire, and the rate of rise system which detects fire immediately.

He cited two cases where this type of alarm had prevented serious fires. The K of C printing shop where the automatic alarm had summoned the fire department who arrived before the sprinkler system had had a chance to operate. George & Harry's Restaurant where the fire department was summoned while the patrons were eating, unaware of any fire on the premises.

He stated that after the initial cost of installing such an

alarm, the only other cost was a very modest monthly charge for telephone lines to connect it to headquarters. He mentioned that there were over 200 circuits now connected in this system.

We feel that this is of importance as it is the first public statement in promotion of Atmo by the Chief for some time, although he did not mention them by name. We surmise that this may well be the beginning of increased activity on his part in pushing Atmo in New Haven, and will of course continue to watch and report events of interest.

R. M. Bugbee, Commercial Representative

[fol. 6289] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C3

July 22, 1957.

Mr. H. O. Betscher
District Sales Manager

M. H. Connell Associates, Miami, Florida

We have just been informed that Sales Representative Hough has been unsuccessfully soliciting Central Station AFA Service from the above, and that this prospect is favorably considering the installation of equipment formerly distributed by the Baker Industries (CO_2 Corporation) and now offered for sale by the Pyrotronics Corporation which is currently an entirely separate organization.

We are further informed that the latter are trying to obtain permission to install a direct-connection, presumably in the Miami Fire Department, but have been unsuccessful in their effort to do so.

Frankly, we have been approached with the idea of providing a connection to the Pre-detection system proposed by Pyrotronics but, suffice to say, are not especially interested in the idea to say the most.

Under the impression that Sales Representative Hough is already reasonably familiar with this development, we

would sincerely appreciate a report from you on developments at Miami.

Will look forward to hearing from you.

L. J. O'Brien, General Sales Manager. By J. B. Bodley, Assistant to General Sales Manager.

ah

cc: A. W. Sullivan, J. R. Hough.

[fol. 6290] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C4

WASHINGTON, D.C.

July 27, 1962.

Confidential

Mr. W. J. Robinson,
Sales Manager

Re: U.S. vs Grinnell et al

In December, 1961, negotiations were initiated with the Washington Suburban Sanitary Commission, primarily through its Treasurer, Mr. James G. Lynch, for protection to their Anacostia storeyard.

Both Telapproach, intrusion detection fence and outside Photoelectric Beams were proposed by ADT at various times. Burns Detective Agency proposed the use of supervised guards, the supervision to be rendered by Burns. The Chesapeake and Potomac Telephone Company proposed the use of open microphone-speaker stations throughout the area. The perimeter of this area is approximately ¾ of a mile.

ADT later proposed Watchman's Supervisory and Emergency Call service to be used in conjunction with prospects own guard force.

Negotiations continued until April, 1962. On April 5,

1962, prospect advised ADT that the Burns Detective Agency had been selected to provide protection, utilizing a roving guard and a gate guard.

Carl C. Rasmussen, Jr., Sales Representative

CCR:lw

[fol. 6291] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C8

BOSTON, MASSACHUSETTS

July 11, 1952

Mr. B. H. Sofge
General Superintendent
Operating Department

Re: Ace Burglar Alarm Company Hartford, Connecticut

Attached is a further report received from Manager Berrett relative to the rumor that the Ace Burglar Alarm Company has secured a contract with the Federal Government for the protection of the Internal Revenue Bureau at Hartford. You will also note that the Statler Company will erect a new hotel in Hartford and apparently with Ace Burglar Alarm Company are negotiating for this business also.

This is primarily a commercial problem but we are sending Mr. Berrett's letter along to you as a matter of information.

R. M. Pineo, Operating Superintendent

ALC/les

c/c Mr. A. S. Cook, Commercial Superintendent

[fol. 6292] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C10

HARTFORD, CONNECTICUT

July 7, 1952

Mr. Hammon for comp. file June 7/14

Mr. R. M. Pineo
Oper. Supt.
Boston, Massachusetts

Re: Ace Burglar Alarm Co., Hartford, Connecticut

There is a rumor around that the above captioned company has secured a contract with the U. S. Government to protect the Income Tax Office in Hartford, Conn. If this rumor is true the burglar alarm will be connected direct to the Connecticut State Police Headquarters. Mr. Brady is checking into this matter and we should know in a few days if it is correct.

The Ace Burglar Alarm service car was parked in front of our office today and I noticed that they are advertising Burglar and Fire Alarm Systems with direct lines to Police and Fire Departments. Also a large sign stating that the systems have Underwriters Grade A approval.

K. E. Berrett, Manager

[fol. 6293] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C13

ST. LOUIS, MISSOURI

July 1, 1960

Mr. L. J. O'Brien,
General Sales Manager.

Mr. J. B. Rustic,
Gen'l. Oper. Supt.

Proposed Councilmen's Bill, Denver, Colorado

In line with our telephone conversation of Friday morning, I am forwarding herewith, two copies of a Bill which will be read on Tuesday, July 5th in the Council Meeting at Denver, Colorado.

If approved, we understand it will become effective one week later.

I have discussed over the telephone the entire Bill with Mrs. Sarah Jackson of the Denver Burglar Alarm Company and she is highly perturbed over the possible passage of this Legislation.

Mrs. Jackson suggested we request our Attorney to meet with her attorney to attempt stopping this piece of Bill before it hits the Council Chambers.

I contacted our Manager, Ken Brown this morning and asked him in turn to get in touch with our Attorneys, Messrs. Grant, Shafroth and Toll and apprise them of the situation. We are today, sending Air Mail Special Delivery, sufficient copies which will be delivered to our legal representation and he will be asked to arrange such a meeting. Our Manager and the Writer will also attend, along with Mrs. Jackson.

We know nothing more than is written at this time. I will go to Denver on Monday and meet with these people on Tuesday morning, after which I will contact Mr. Bodley in New York if there is anything worthwhile reporting.

[fol. 6294] If the matter comes to Council, I will attend

the meeting, along with our local representation, after which a complete report will be furnished you on this outcome.

D. H. Barnett, Dist. Oper. Supt.

Jim De Shane, Dist. Sales Manager

cc—Mr. J. B. Bodley, Mr. K. H. Brown.

[fol. 6295] BY AUTHORITY

ORDINANCE No. 237

Councilman's Bill No. 354, Series of 1961, as Amended. Introduced by Councilmen Kelly, Stapp and Hentzell.

A Bill

For an Ordinance Amending Sections 1 and 4 of Ordinance No. 276, Series of 1954 as Amended by Ordinance No. 335, Series of 1955.

Be it Enacted by the Council of the City and County of Denver:

Section 1. That Sections 1 and 4 of Ordinance No. 276, Series of 1954 as amended by Ordinance No. 335, Series of 1955 be and the same are hereby amended to read, respectively, as follows:

> Section 1. That the following named banks or depositories in the City and County of Denver, to-wit: the American National Bank of Denver, the Bank of Denver, the Center State Bank, The Central Bank & Trust Co., the Cherry Creek National Bank of Denver, the Citizens Savings Bank, The Colorado National Bank of Denver, the Colorado State Bank, the Denver United States National Bank, the Department of the Treasury for the State of Colorado, the Federal Reserve Bank of Kansas City (Denver Branch), The First National Bank of Denver, the Guaranty Bank & Trust Co., the Mountain States Bank, The National City Bank of Denver, the North Denver Bank, the Southwest State Bank, the Union National Bank of Denver, and the University Hills Bank, hereinafter collectively referred

to as the "Banks," be, and each of them is, and they are hereby granted a revocable license or permit to install, service, and maintain at their sole expense and without expense or liability on the part of the City and County of Denver, an annunciator alarm cabinet (with accessories, connections, and auxiliary equipment required for the operation of the same) in the Radio Dispatch Room of the Police Department of the City and County of Denver in a location where the visible and audible signals therefrom may be readily seen and heard by the Dispatcher, and to connect the same by leased telephone wires to switches or other actuating devices in or on their respective premises, for the purpose of providing a "Direct Police Hold-up and Burglar Alarm System" between such premises and said Radio Dispatch Room; provided, however, that permittees shall have service and maintenance personnel on call at all times and shall furnish means for immediate notification to such personnel and to one or more bank officials in the event of an alarm.

Section 4. That the licenses or permits hereby granted are so granted upon the express conditions (i) that the Banks shall always hold the City and County of Denver harmless from and on account of any and all damages arising out of the activities of the Banks, and each thereof, in the exercise of such licenses and privileges, including but not limited to damages to the City and County of Denver, its agents, employees, invitees and licensees, while in or on the building in which the alarm cabinet is located, arising out of any defects in the alarm cabinet or in the installation and maintenance thereof; (ii) that if the location of the Radio Dispatch Room of the Police Department should be changed at any time, the Banks will not attempt to charge the City and County of Denver with any resulting cost of moving the alarm system or any part thereof; (iii) that each of the licensees or permittees hereinbefore enumerated shall pay to the City and County of Denver a charge of $50 for each and every false alarm transmitted by that licensee or permittee to the alarm cabinet; and (iv) that the Banks shall collectively pay to the City and County of Denver within thirty

days of the final passage and publication of this Ordinance a fee of $100 as the cost of processing this Ordinance.

Section 2. The Council finds this Ordinance is necessary for the immediate preservation of the public health and public safety, and determines that it shall take effect immediately upon its final passage and publication.

Passed by the Council October 30, 1961, Robert M. Keating, President. Approved: R. Y. Batterton, Mayor, November 2, 1961.

Attest:

Louis S. Middlemist, Clerk and Recorder, Ex-Officio Clerk of the City and County of Denver.

By: George Manerdino, Deputy City Clerk (Seal)

Published in The Daily Journal, Oct. 28 and Nov. 4, 1961.
332

[fol. 6296] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C14

November 29, 1954.

Mr. L. J. O'Brien
Supt. of Market Research & Development

Denver Ordinance

I am returning the papers, in the above connection, which you endorsed to me for information.

It is no clearer now than at the time when Mr. Dooley called on the telephone, how the bank licensees under the ordinance intend to comply with the proviso added to Section 1 of the ordinance, to maintain personnel on call at all times and to furnish means for immediate notification to such personnel and to one or more bank officials in the event of an alarm. You will want to have Messrs. Blank and Dooley watch the situation closely, and to ascertain and report just what is intended, in this respect.

There is indication, in the third paragraph on page 3 of the Denver attorney's letter, that ADT may have agreed that the adoption of the paragraph 1 proviso served the interests of the city. If we did lend such agreement, we should not have done it. Our whole representation was to the effect that in our belief the ordinance constituted a measure of unsound protection and unfair competition. That being the case, the proviso amendment cannot have improved the situation.

Be all that as it may, through the appearances of our Denver attorney, and Messrs. Dooley and Blank, together with the good services of Mrs. Jackson and her attorney, we appear to have done just about all that lies in our power to persuade the city authorities of the mistake we feel was made in enactment of the ordinance. Having given all the counsel we had to give, growing out of our experience in the business, the final decision rested with the city council, which has acted as it saw fit. We sincerely believe the action will be regretted.

As indicated in letter which our attorney addressed to members of the city council, it appears that the 16 petitioning banks are interested in obtaining burglar and holdup protection service, more cheaply than they can obtain it from ADT. Whether the banks also are interested in prospective burglary insurance credits has not been brought out. This is something you should have Mr. Dooley endeavor to find out. Possibly there is some further action that we can or should take through Underwriters' Laboratories, Inc.

[fol. 6297] We supply services of various types to 12 of the 16 petitioning Denver banks, the aggregate average service charge from burglar alarm and holdup alarm services totalling about $9,000. Annual service charges from night watch and fire alarm services total about $6,000. Most of the burglar alarm service contracts have considerable time to run before normal expiration. We will expect the Denver banks to live up to their contract obligations until contract termination, and the disposition of ADT's equipment installed in the premises of the banks will remain for disposition, at that time.

We take it that there will be no disturbance of our contract relations with banks to which we provide other than burglar alarm service.

——, ——, Vice President

MRH

[fol. 6298] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C15

By Authority

Ordinance No. — Series of 1954

Councilman's Bill No. — Introduced By Councilman

A Bill

For an Ordinance Granting to Certain Named Banks and to Each of Them Revocable Licenses or Permits to Install, Service, and Maintain an Annunciator Alarm Cabinet in the Radio Dispatch Room of the Police Department to Provide a "Direct Police Hold-Up and Burglar Alarm System."

Be It Enacted By The Council of the City and County of Denver:

Section 1. That the following named banks in the City and County of Denver, to-wit; The First National Bank of Denver, the Colorado National Bank, the Federal Reserve Bank of Kansas City (Denver Branch), The American National Bank of Denver, the Bank of Denver, The Colorado State Bank, the Mountain States Bank, The International Trust Co., The Central Bank & Trust Co., The Denver National Bank, The United States National Bank of Denver, the Citizens Savings Bank, the Union National Bank, the Cherry Creek Bank, The National City Bank of Denver, and the North Denver Bank, hereinafter collectively referred to as the "Banks," be, and each of them is, and they are hereby granted a revocable license or permit to install, service, and maintain at their sole expense and without expense or liability on the part of the City and County of Denver, an annunciator alarm cabinet (with the

accessories, connections, and auxiliary equipment required for the operation of the same) in the Radio Dispatch Room of the Police Department of the City and County of Denver in a location where the visual and audible signals therefrom may be readily seen and heard by the Dispatcher, and to connect the same by leased telephone wires to switches or other actuating devices in or on their respective premises [fol. 6299] for the purpose of providing a "Direct Police Hold-Up and Burglar Alarm System" between such premises and said Radio Dispatch Room.

Section 2. That the location of said cabinet, accessories, connections and equipment shall be determined by the Manager of Safety and Excise, and the installation, servicing, and maintenance thereof shall be done at such times and in accordance with such conditions as shall be prescribed by him.

Section 3. That each such license or permit shall be revocable at any time by the City and County of Denver, either with or without the existence or statement of any grounds therefor, and such revocation may be effected either by the Council of the City and County of Denver or by the Manager of Safety and Excise; *provided, however,* that if any such revocation be made by the Manager of Safety and Excise, he shall advise the licensee or permittee to that effect at least ninety (90) days before such revocation shall become effective; the aforesaid rights of revocation are hereby expressly reserved to the City and County of Denver.

Section 4. That the licenses or permits hereby granted are so granted upon the express condition that the Banks shall always hold the City and County of Denver harmless from and on account of any and all damages arising out of the activities of the Banks, and each thereof, in the exercise thereof.

Section 5. That the City and County of Denver shall be under no duty or obligation to the Banks nor to any one or more of the named banks by reason of the passage of this ordinance or the exercise of the licenses or permits hereby granted.

Section 6. That the acceptance of the licenses or permits hereby granted or the exercise of any right or privilege [fol. 6300] under the terms hereof shall be conclusively

deemed and considered the acceptance of each and all of the terms and conditions of this ordinance.

Section 7. The Council finds this Ordinance is necessary for the immediate preservation of the public health and public safety, and determines that it shall take effect immediately upon its final passage and publication

Passed by the Council 1954

.....—President

Approved: .....—Mayor.....1954

Attest: Thomas G. Currigan Clerk and Recorder Ex-Officio Clerk of the City and County of Denver.

By: .....—Deputy City Clerk

Published in The Daily Chief.....1954 and.....1954

.....

Approved: .....—City Attorney

Approved: .....—Manager of Safety and Excise

[fol. 6301] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C21

SAN FRANCISCO, CALIF.

December 18, 1952.

Please get file T14 12/24

Mr. A. E. Smith

For your further handling.

E. B. White, 12-19-52

Mr. E. B. White
Commercial Superintendent

Competition—Tele-Fire of California
180 E. California St.
Pasadena, Calif.

During recent months, as you know, we have had rather spotty reports of sales activities on the part of this concern in the Los Angeles area. In February of this year we were advised by C. R. Taylor that Tele-Fire sold AFA to T. V. Walker & Sons of Burbank. This has since been confirmed and the system is connected over leased telephone wires to the Burbank Fire Department.

I recently confirmed a report that we lost a sale to Tele-Fire to the Columbia Ribbon and Carbon Co. located in Los Angeles County, east of Pasadena. This system likewise was connected to a County fire department over leased telephone facilities. This installation consists of SS&WFA with an ASC of $676.00 and an installation charge which we do not know, against our proposal for WFA only with an ASC of $545.00 and an ADSC of $1026.00. Both the waterflow and the supervisory services are connected to the fire department on a leased service contract basis. I discussed this installation with Mr. Fred Munch, the Los Angeles manager of FIA, who advised that the arrangement had been approved by the Pacific Fire Rating Bureau, that credits were allowed not quite equal to credits for standard central station service.

We also encountered competition in connection with our solicitation of AFA service with the Irvington Varnish and Insulator Co. in Monrovia, a suburb of Los Angeles. In this case we secured the business. This, too, is an FIA risk and according to Mr. Munch was almost lost to Tele-Fire.

For your information I have obtained a Dun & Bradstreet report of this concern which is made available herewith. I have also obtained excerpts from one of their proposals which describes briefly the services they propose to furnish and also includes a list of sales they purport to have made. My investigation indicates that almost without exception the installations shown on the accompanying list are local alarm systems only furnished under competitive bidding on an outright sale basis and do not report to fire stations on a leased service basis.

This concern seems to be conducting quite an aggressive sales campaign and appears to be making quite a spread and, we believe, will bear watching. It is believed, however, that with proper activity on the part of our C. R.'s that we should be able to meet this competition without too much loss to our company. I shall continue to watch this competition and with the cooperation of the Los Angeles C. R.'s will keep you advised of developments.

W. K. Francis, Asst. Commercial Superintendent.

WKF:cek

[fol. 6302] Tele-Fire Automatic Fire Alarm Systems

Tele-Fire installs heat actuated fire alarm systems both alone and along with sprinkler supervision coverage. These systems use either UL Approved fixed temperature Tele-Fire South Bend detectors which cover 225 square feet, or UL and Factory Mutual Approved combination fixed temperature and rate of rise Spot Fire Lowecators which cover 900 square feet. All work is done according to the National Board of Fire Underwriters pamphlet #72.

The Tele-Fire automatic fire alarm control panel is the finest of its type in the world. It combines all of those principles of electronic control most desired. It is truly the "brain" of the Tele-Fire system.

Tele-Fire connects both its sprinkler supervision and

automatic fire alarm systems into the nearest fire station by dependable supervised leased telephone lines.

A call to the Los Angeles City (Captain Turner) or County (Captain Manchester) Fire Prevention Bureaus, or to the State Fire Marshall (Joe Yockers), will verify Tele-Fire's enviable reputation in the field.

A list of completed local and fire department connected automatic fire alarm jobs are listed below:

Bostonia Home
1008 North First Street
El Cajon, California

Luke Air Force Base
Litchfield Park, Arizona

A to Z Printing Company
Riverside, California

Harvard School
4800 Coldwater Canyon Drive
North Hollywood, California

Fort MacArthur
San Pedro, California

Basler Sanitarium
1010 North Broadway
Santa Ana, California

Imperial County Hospital
El Centro, California

Palm Grove Sanitarium
2335 South Mountain Avenue
Duarte, California

Norton Air Force Base
San Bernardino, California

Ambassador College
363 Grove Street
Pasadena, California

Mira Loma Quartermaster Supply Depot
Mira Loma, California

S & S Electric Co.
399 South Market
San Jose, California

McKinley Home for Boys
815 Edison Building
Los Angeles 17, California

Jabsco Pump Co.
2031 No. Lincoln Street
Burbank, California

Wallace E. Hunt
1155 West Rodeo Drive
Los Angeles, California

Rancho Los Amigos
1901 North Paramount Blvd.
Hondo, California

Camp Roberts
Paso Robles, California

Betty Martin Rest Home
845 La Cadena Road
Riverside, California

Frank Irvy Rest Home
715 North Marengo
Pasadena, California

Paradise Valley Rest Home
4695 Dodd Street
Mira Loma, California

Yuma Test Station
Yuma, Arizona
Sierra Madre Lodge
3487 Barhite
Altadena, California

[fol. 6303] Holtville Sanitarium
County of Imperial
Holtville, California

Sharon Lynn Guest Home
3765 Agra
Bell Gardens, California

Dr. Hunger Rest Home
4383 Tyler
Arlington, California

Fox Rest Home
2035 Roberts
Riverside, California

Mission Sanitarium
4525 San Fernando Road
Glendale, California

T. V. Walker & Son, Inc.
217 North Lake Street
Burbank, California

Pacific Home
1055 North Kingsley Drive
Los Angeles, California

City of Fallbrook
Fallbrook, California

United Presbyterian Home
1230 East Windsor Road
Glendale, California

Fifield Manor
5930 Franklin
Los Angeles, California

W. A. Cropper
Corona, California

Jim W. Evans
764 West Golden Avenue
Los Angeles, California

Woodland Hall
1741 Kirkby Road
Glendale, California

Wilbur Clark's Desert Inn
Las Vegas, Nevada
Country House
1661 South Euclid Avenue
Ontario, California

Outdoor Life and Health Assn.
1460 Duarte Road
Duarte, California

[fol. 6304] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C22

cc: Mr. A. E. Smith
General Comml. Mgr.

Further to our report of 12-18-52 under the subject "Competition Tele-Fire of California."

HUNTINGTON PARK, CALIFORNIA

April 17, 1953.

E. B. White, 4-20-53

Competition—Fullerton Mutual Orange Association Inc.
210 West Walnut Street
Fullerton, California

The above concern was solicited by Commercial Representative K. DeSchane starting in October 1952 and upon Mr. DeSchane's rotation to another territory I continued the solicitation and submitted a quotation for 8 circuits of DC AFA.

I now have been informed by the Board of Directors of this concern that they have decided to put in a sprinkler system but that had they decided to put in an alarm system that they would have put in that sold by Tele-Fire of California. They informed me that *Tele-Fire's* installation price was almost the same as ours, but that their maintenance charge was about 40% of ours.

For your information, our quotation for this service amounted to:

Advance Service Charge	$2,092.00
Annual Service Charge	741.00

This information sent to you will keep you informed on our competitors.

John Heath, Jr.

JH/gv

[fol. 6305] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C26

SAN FRANCISCO, CALIF.

April 11, 1958.

Mr. L. J. O'Brien
General Sales Manager

Competition—Sacramento, California

The attached D & B report on *Capital Burglar Alarm Company*, Sacramento, you will observe, shows monthly income of $2,500. This is an increase of $500.00 monthly over a similar report in 1953.

The D & B also announces the withdrawal of Mr. Everett A. Westphal as a limited partner. Mr. Westphal is owner of Bay Burglar Alarm Company at Oakland, California.

Capitol Burglar Alarm Company is quite active in soliciting the sale of local BA systems and has a few systems direct connected to the Sacramento Police Department.

We are confronted with competition from Capitol on a few jobs although they generally avoid certificated alarms and attempts to sell their systems in larger properties.

W. K. Francis, District Sales Manager.

WFK/ef

Enc.

[fol. 6306] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C31

LOS ANGELES, CALIFORNIA

August 28, 1962.

Mr. Ray Brechbill
General Sales Manager

Re: District #13 Sales Integrity and Competition

There can be no question that the sales integrity of this District is too low. It is, however, my firm belief that the lowness of this integrity bears a direct relationship to the ever increasing activities of our many competitors here in this area. I feel it is my obligation to keep you informed as to the activities of these competitors and am enclosing a current list of their names, addresses, and modis operandi. Your attention is called to the fact that we now have 5 Underwriter approved competitive central stations plus one in the process of construction. The remaining 65 competitors either operate as locals, direct connected or telephone answering companies.

Regretably our sales representatives have been negligent in filing forms 701 on the number of jobs lost to these competitors. This I will endeavor to correct immediately.

W. J. Kupper, District Sales Manager.

[fol. 6307] (1) Ace Burglar Alarms—1114 West 2 Street
Radio Cars—Bell or Silent—Central Office Alarms
MA 8-6636
Advance Alarm Company—Central Burglar Alarm Service
Surety Alarm Company MA 8-6636
(2) Alarm Mat—1515 West 11th Street
Alarm Silent Service 389-0242

(Sold outright—Not leased)

(3) Alarm Company Protective Devices—
6555 So. Vermont
Silent & Bell—Holdup & Fire—Radio Cars
Supervised Silent Alarms—True Central Office
PL 3-3453

(4) Albi and Southeast Burglar Alarm—3409 So. San Pedro AD 4-5394

(5) American Fire Dispatch Service—
6317 So. Figueroa
Underwriter Approved Central Station—Fire & BA
PL 8-3103

(6) Atlas Burglar & Holdup Alarm Company—
1712 W. Florence
Underwriter Approved Locals—Radio Cars—
Direct Board
Connections to Police PL 9-5397

(7) Automatic Alarms Ltd.—1151 Wall Street
Division of Merchants Fire Dispatch
Alarm System—Guards—Patrol—Bell or Direct Wire
U/L approved systems for Insurance Credits
RI 9-4061

(8) Babco Alarm Systems Service—12135 Chandler—
No. Hollywood
U/L approved systems for Auto & Trucks,
TR 7-3839

(9) Bell Air Patrol—100 Bel-Air Road—West L.A.
Silent Central Station Alarms Systems 474-5596
Blackadder Detectives Alarm Division
Same as AFD

Burglar & Fire Alarm Association of California

L.A. Central Sales Company—1114 West 2nd
Same as ACE Burglar Alarm MA 8-1313

(10) Circle Burglar Alarm Company—1282 W. Sunset
Radio Dispatch—Bell or Direct Wire MA 6-3371
Merchants Fire Dispatch—Same as Automatic Alarms

[fol. 6308] (11) Morse Signal Devices of California—
211 So. La Brea

Underwriter approved Central Station—Fire & BA
WE 3-5924
Southeast Burglar Alarm—Same as Albi

(12) West Coast Burglar Alarm—4203 S. Hoover
AD 1-9204
UL Approved Burglary—Fire Alarm Holdup
Protection ST 5-0401
Central Office FA 0-3161

Culver City

(13) Pacific Alarm Systems
12175 W. Washington Blvd.
Local Silent UL Approved Systems EX 8-4403

Long Beach

(14) Kings Burglar Alarm Company—
2025 Curry Long Beach NE 6-9359
Also 801 Bush Street, Santa Ana KI 2-3320

(15) Sylvester Burglar Alarms Service—
618½ Avalon, Wilmington TE 4-2471
Central Burglar Alarm Company—Same as Central Sales

(16) City Alarm Company—1288 S. La Brea
WE 4-4441

(17) Coast Burglar Alarm Service—2124 Hyperion
Silent Direct Wire—Radio Dispatch Cars
NO 4-2968

(18) Eastside Alarm—3689 East 3rd Street
El Serano Alarm Company—Silent Alarm Direct to Central Office AN 3-7528

(19) Honeywell Regulator Company—
6620 Telegraph Road
Electronics Security Systems RA 3-6611

(20) Industrial Sales Signal Devices VI 9-4038

(21) Kiddie Ultrasonic Alarm Systems—
4845 Exposition RE 3-0158

(22) Marella Alarm Systems—6929 Adamson,
Bell Gardens SP 3-1821

(23) Metropolitan Detective Bureau—651 So. Soto
AN 1-7916

(24) Monarch Burglar Alarm Company—
14532 Van Owen Street, DU 7-8193
No. Hollywood & 2909 Beverly Blvd. ST 0-1905
Central Station BA & Fire

(25) Nico Lay Mfg. Company—6850 Vineland,
No. Hollywood
BA & Fire Alarms Wholesale only TR 7-6212

[fol. 6309] (26) Protection Engineering Corp—
6900 So. Hoover
Underwriter Approval Central Station
BA & Fire PL 3-2301
Security Alarm System—6317 So. Figueroa—
Same as AFD

(27) Signal Burglar Alarm Company—
514 4th, Alhambra AT 2-2691
Direct Wire or Bell CU 3-1255

(28) Standard Alarm Company Service—5765 West Pico
Underwriter Approved Central Station BA & Fire
WE 6-2562

(29) Teletronic Security Systems—8700 Bellanco
OR 8-4742

(30) Teletronic Security Systems—2149 W. Washington
Blvd. RE 5-1054

(31) United Fire Intelligence—5004 W. 132 St.,
Hawthorne 675-8998

(32) U.S. Burglar Alarm Company—1315 W. Pico
Underwriter Approved Central Station—Fire & BA
RI 8-6308

(33) A S D—131 N. Marine Drive, Wilmington
Telephone Ans. Local & Silent TE 5-1069

(34) Aaron Alarm System—618½ N. Avalon,
Wilmington FA 8-3222
Sylvester Burglar Alarms Inc.—
618½ N. Avalon, Wilm. TE 4-2471
Telephone Local D.C. Silent

(35) Atlas Burglar & Holdup Alarm Company—
1712 West Florence PL 9-5397
Los Angeles, Telephone Local D.C. Silent

(36) Kings Burglar Alarm Company—
2025 Curry, Long Beach
Telephone Local D.C. GA 3-5455

(37) Reagan Burglar Alarm—3142 Compton, Gardena
Telephone OS 6-8705

(38) West Coast Burglar Alarm Service—
2115 Torrence Avenue FA 0-3161
Telephone Local Silent—also 4203 So. Hoover
AD 1-9204
also at 14532 Van Owen Street, Van Nuys
ST 5-0401

(39) Code Alarm Company—11229 Inglewood Avenue,
Inglewood
Telephone Local & Silent OR 2-6036

(40) L & L Silent Alarm System—
3965 Palm Avenue,
Lynwood
Central Office OR 2-6036

[fol. 6310] (41) (Copy illegible.)

(42) Anderson Alarm Company—
11008 So. Downey Avenue, Downey TO 2-7613

(43) Signal Alarm Company—
10622 Mansfield, Inglewood OR 4-4955

(44) Amano Burglar Alarm Systems—
6059½ E. Olympic, Los Angeles PA 1-9526
Lease & Sell BA Systems
Serving Montebello Since 1934

(45) Signal Burglar Alarm Company—
5N 4th St., Alhambra AT 2-2691

(46) Gerber & Company Burglar Alarms—
311 No. Verdugo, Glendale
C S Fire & Burglary CI 3-1728

(37) Advance Alarm Company—3025 N. Durfee,
El Monte GI 4-8187
Silent Local Direct Connect AT 4-7394
YO 2-2407
SY 5-7581

(48) Circle Burglar Alarm Company—
1282 West Sunset, Los Angeles
Telephone Ans. Silent & Local MA 6-3371

(49) El Sereno Patrol & Alarm Service
418 Kingsford, Monterey Park AT 4-5092

(50) General Dispatch Telalarm System
249 East Olive Street, Burbank
1062 Walnut Street, Burbank
Local Central Station or Direct Connect
TH 6-5066

(51) Sierra Signal Company—
8230 Sepulveda Blvd., Van Nuys ST 2-8335
Local Telephone ans. & Direct Connected

(52) Alco Burglar Alarm Company also Telco Burglar Alarm Co.
15336 Roscoe Blvd., Van Nuys
Local & Telephone Ans. ST 0-8512

(53) Babco Alarm Systems Service also Vendalarm Co.
12135 Chandler North Hollywood
Alarms for trucks, Cars & Trailers TR 7-3839

(54) Singer Alarm Company
15015 Ventura Blvd., Sherman Oaks
BA Fire Local or Telephone Ans. ST 3-0707

[fol. 6311] (55) Valley West Alarm Company—
1021 No. Macley Street,
San Fernando ST 5-2644

(56) Rayburn Electronics—1410 Montana, Santa Monica
Local Direct Connected & Telephone Ans.
EX 3-6259

(57) SAS Alarm Company—
Local & Direct Alarms Fire & Police
Santa Barbara, Ventura, Oxnard, San Luis Obispo,
Santa Paula,
Santa Maria

(58) ORCO Burglar Alarm Company—
702 West 5 St., Santa Ana
Fire & BA Telephone Ans. & Direct Connected
KI 3-5482

** Is building a building for approved Central Station Service

San Diego Area

(1) AAA Fire & Burglar Alarms
(Rodger Police Patrol Affiliate)
3780 5th Avenue
San Diego 3, California
Central Station Fire & Burglar Alarm Service, non approved.
Local Burglar Alarm Service
Outright Sale of Fire & Burglar Alarms

(2) Fred W. Barth Company
625 Broadway, Room 709
San Diego 1, California
"Notifier" Fire Alarm Systems Direct-Connected to all Fire Departments
Outright Sale of "Notifier" Fire Alarm Systems

(3) Diebold, Inc.
2401 Pacific Highway
San Diego 1, California
Vault Alarm Systems, Local & Direct-Connected

(4) Federal Automotic Alarm Company
5606 El Cajon Blvd.
San Diego 15, California
Burglar Alarm Service, local & direct-connected
Fire Alarm Service, local & direct-connected
Outright Sale of Fire & Burglar Alarm Systems

[fol. 6312] (5) Hall Lock & Safe Company
724 2nd Avenue
San Diego 1, California
Vault Alarm Systems—local & direct-connected
Federal Vault Alarms, a division of Hermann Safe Co., San Francisco
Radar-Alarms for safes & room protection, local

(6) Minneapolis—Honeywell Company
1515 Moreno Blvd.
San Diego 10, California
Fire Alarm Systems—Outright sale.

(7) R.V. Morris Company
1533 India Street
San Diego 1, California
"W. Kiddie" Fire Alarm Systems—outright sale

(8) Morris Signal Devices of San Diego
625 Broadway, Room 709
San Diego 1, California
Fire & Burglar Alarm Systems—local & direct-connected
Burglar Alarm Service to answering services. Sells as Central Station Svc.

(9) San Diego Burglar Alarm Company
3131 Reynard Way
San Diego 1, California
Fire & Burglar Alarm Services—local & direct-connected
Burglar Alarm Service to answering service & radio repair shop.
Sells as Central Station Service

(10) San Diego Fire Equipment Company
1015 Market Street
San Diego 1, California
Fire Alarm Service—outright sale

(11) Fletcher's Patrol Car—linker at Rancho fire station

(12) Burglar Alarm—Arthur V. Costanzo, 4729 Wilson Avenue, AT 4-5704

W. J. Kupper, District Sales Manager

WJK:jc

[fol. 6313] Burglar Alarm Service

List of Companies holding Los Angeles Police Commission Permits to operate in the City of Los Angeles, with date each existing permit was granted.

Name	Address	Date
Aaron Burglar Alarms	2115 Torrance Blvd., Torrance	1-4-59
ABC Burglar Alarm	15336 Roscoe Blvd., Van Nuys	2-23-61
A.C.B. Burglar Alarm	5392 Holland Ave., Garden Grove	10-11-61
Alarmco. Protective Devices	6553 So. Vermont Ave., Los Angeles	7-6-61
Alarmco Protective Devices	7301 So. Western Ave., Los Angeles	4-5-61
Albi-Southeast Alarm	3409 San Pedro St., Los Angeles	12-28-55
Alco Burglar Co.	15336 Roscoe Blvd., Van Nuys	2-15-61
Allied Signal Devices	15015 Ventura Blvd., Sherman Oaks	9-13-61
American District Telegraph Co.	2561 Saturn Ave., Huntington Park	5-27-59
American District Telegraph Co.	745 So. Flower St., Los Angeles	2-9-49
American Fire Dispatch	6317 So. Figueroa St., Los Angeles	4-12-61
Atlas Burglar & Holdup Alarm Co.	1712 W. Florence Ave., Los Angeles	2-8-51
Automatic Alarm Limited	1151 Wall St., Los Angeles	11-17-48
Bel-Air Patrol	12041 Wilshire Blvd., Los Angeles	10-25-61
Bel-Air Patrol	100 Bel Air Road, Los Angeles	6-24-59
Biscailuz, Gene, & Assoc. Inc.	1828 So. New Hampshire, Los Angeles	7-13-60
Central Burglar Alarm Service	1114 W. 2nd St., Los Angeles	10-20-48
Circle Burglar Alarm Co.	1282 Sunset Blvd., Los Angeles	8-14-57
City Alarm Co.	1288 So. La Brea Ave., Los Angeles	4-19-61
Coast Burglar Alarm Co.	2124 Hyperion Ave., Los Angeles	5-31-61
Code Alarm Co.	11229 Inglewood Ave., Los Angeles	9-6-61
Community Patrol	141 So. Barrington Ave., Los Angeles	2-15-61
Diebold, Inc.	1845 So. Western Ave., Los Angeles	4-23-58
Eastside Alarm	418 Kingsford St., Monterey Park	7-30-58
Electronic Barriers	3824½ Ocean View, Montrose	3-15-61
Electronic Barriers of Alhambra	2023 So. Primrose, Alhambra	5-24-61
Electronic Barriers of San Gabriel	5906 Temple City, Temple City	4-26-61
[fol. 6314]		
Gerber & Bear Alarms	311 N. Verdugo Rd., Glendale	3-12-56
Herman Safe Co., A Corp., The	2301 So. Hill St., Los Angeles	3-15-61
Kings Elec. & Burglar Alarm Co.	2025 E. Curry St., Long Beach	1-25-61
Kern Alarm Co.	633 So. La Brea Ave., Los Angeles	2-1-61
Marella Burglar Alarms	9305 S. Central, Los Angeles	5-21-58
Merchants Fire Dispatch	1151 Wall St., Los Angeles	11-17-48
Metropolitan Alarm System	651 S. Soto St., Los Angeles	5-21-58
Monarch Burglar Alarm Co.	2909 Beverly Blvd., Los Angeles	8-8-55
Morse Signal Devices of Calif.	211 S. La Brea Ave., Los Angeles	6-20-51
Pacific Alarm System	12163 W. Washington Blvd., Culver City	5-22-57
Protection Engineering Corp.	6900 S. Hoover St., Los Angeles	1-27-54
Reagan Burglar Alarm	3142 W. Compton Blvd., Gardena	1-21-59
Rene's Auto Service	12135 Chandler Blvd., Los Angeles	1-24-60
Royalty, M. B. Electric Co.	3838 Eagle Rock Blvd., Los Angeles	9-25-57
Sierra Signal Co.	15336 Roscoe Blvd., Los Angeles	2-26-58
Signal Burglar Co.	6 So. Stoneman, Alhambra	1-5-56
Singer Alarm Co.	15015 Ventura Blvd., Los Angeles	9-3-58
Standard Alarm Co.	5765 W. Pico Blvd., Los Angeles	8 17-60
Star Burglar Alarms	10732 Riverside Dr., Los Angeles	9-30-59
Sylvester Burglar Alarms	618½ N. Avalon Blvd., Wilmington	5-14-58

Name	Address	Date
Sylvester Burglar Alarms Inc.	131 N. Marine Ave., Los Angeles	6-28-61
Telco. Burglar Alarm Co.	15336 Roscoe Blvd., Van Nuys	7-26-61
Time Clock Sales & Service Co. Inc.	803 W. 11th St., Los Angeles	5-14-58
United Fire Intelligence	5004 W. 132nd St., Hawthorne	4-5-61
United States Burglar Alarm Co. Inc.	1315 W. Pico Blvd., Los Angeles	12-1-60
Valley West Alarm Co.	13845 Foothill Blvd., Sylmar	5-10-61
West Coast Burglar System, A Corp.	4203 S. Hoover St., Los Angeles	6-22-61

[fol. 6315] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C32

LOS ANGELES, CALIFORNIA

June 16, 1954.

Mr. E. B. White,
Commercial Superintendent

Sears, Roebuck and Co., 81 North Sixth Avenue,
Tucson, Arizona

The attached letter of June 8 to Mr. Cooley from the City of Tucson Manager J. Luther Davis and the accompanying protest of the two local alarm companies was handed to me by Mr. Cooley for investigation during my trip to Phoenix in connection with the Hughes Aircraft Job.

While there I contacted Sears' Manager, Mr. E. B. Carmach, who advised that he had not as yet replied to a letter of June 2 from his Los Angeles Regional Office proposing the adoption of ADT service. Mr. Carmach advised that he had decided to recommend against the adoption of ADT service for his Tucson store, that he had employed watchman service for a good many years, that the watchman had been instrumental in discovering hazardous conditions which he believed would not have been handled as effectively without the watchman, and he would so inform the Regional Office setting forth his reasons for not wishing to make a change at this time.

He stated, however, that the Regional Office may set forth more compelling reasons why the adoption may be to his advantage and he would certainly be open-minded and would give the matter further consideration if so requested.

In the light of Mr. Carmach's attitude, I suggested that in his reply to the letter from City Manager that he ask that the matter of request for connections to the city police and fire departments be deferred for the time being, thus keeping the matter open for further consideration and decision. He stated that he knew Mr. Davis personally and felt that this would be a good idea and would so direct his reply.

I also contacted Mr. Davis, explaining that our proposal with Sears was still under consideration, that it probably would not be disposed of for several weeks, and that we felt it would not be to our best interest to file a reply to the protests until such time as Sears had decided definitely to adopt our services and I asked his advice as to the Disposition of his letter and the protest by the two local concerns.

[fol. 6316] Mr. Davis advised that there was little likelihood of the Council disapproving our connections. He said he felt that should Sears, or any other local merchant for that matter, make a formal request for connections they would be granted forthwith by the Council. He suggested that under the circumstances we reply to his letter requesting that the matter be held in abeyance for the time being, which would be entirely acceptable to his office and that there would be no action taken on the part of the Council until such time as we, or Sears, were ready to make the connections.

I have since discussed the matter with Mr. Cooley, who will direct a reply to Mr. Davis along these lines.

I trust my handling of this situation is acceptable to all concerned as it seems to me the most logical approach to the problem.

I am sure, and Mr. Davis agreed, that we will be in a much better position to reply if we can state that we have a contract with Sears and Sears also can say they have entered into an agreement with the ADT Company.

W. K. Francis, Assistant Commercial Superintendent.

WKF fd

cc—Mr. C. W. Cooley.

[fol. 6317] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C33

April 29, 1957.

Mr. J. B. Rustic
Genl. Supt., Oper. Dept.

Competition—Spurling Fire Alarm
and Indicator Company—Louisville, Ky.

This has to do with your memorandum dated April 26, jointly addressed to Mr. Gaston, Mr. Smith and myself. Mr. Flammer apparently is awaiting your direction respecting action that might possibly be taken to meet the competition of the Spurling Fire Alarm Company at Louisville, Ky.

We want no part of the tactics suggested which contemplate the connection of one of our troublesome installations to the Spurling board installed in municipal fire headquarters, for reasons which should be perfectly patent.

And, despite Mr. Flammer's feeling to the contrary, you can rest assured that we will be troubled from this competitive advantage, from this time, forward. Permission granted for direct connected facilities in a municipal fire or police headquarters is always easier to start then it is to stop. The existing limited permission may well be revocable at the city's option, but any attempted revocation is sure to bring about gross resistance and difficulty.

The appropriate action in combatting threat of direct connected fire and burglar alarm service within the field of our established central station operations is contained in General Circular #222 dated April 27, 1955. Many of the suggested defenses have gone by the board, with the establishment of Spurling's direct connected service at Louisville. All that we can do, from this point on is to await future events, to hope that the city's experience in maintaining the connections may overtax the facilities and personnel of the municipal authorities, and to continue to stress the question of unfair competition with companies who are performing these services as taxpaying members of the

community in support of the defense of the city against fire and burglary.

J. W. MacDonald, First Vice President.

MRH

CCs: Mr. Gaston, Mr. A. E. Smith, Mr. L. J. O'Brien

Mr. Bodley:

In the file on this subject—copy of this letter has gone to Mr. Sullivan 4/29 (Handwritten).

[fol. 6318] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C34

December 21, 1956.

Mr. E. O. Betscher
Dist. Sales Mgr.

Yellowstone Distillery, Inc., Shively, Kentucky

I visited the above Subscriber to get the renewal contracts last week. Mr. Kearns mentioned to me that the Spurling Company had made a survey of the premises for automatic fire alarm, direct-connected to the Shively Fire Dept. I asked him, rather bluntly "how come Spurling?" He told me they had written him a letter about fire protection (something new) for unsprinklered buildings. He said he did not know ADT had automatic fire alarm service. The deal with Spurling was almost closed. However, I asked him to wait until we could also submit a quotation. He agreed and added they prefer ADT because of our long experience in the protection field. If our price is at all comparable to Spurling, then there is no question that we would get it. He stated, they have been a subscriber of ours for a long time, and he wanted our excellent relationship to continue for years to come.

Spurling advised these people they could eliminate the

watchmen with this automatic service. That would mean ADT would loose the NWFA contract ($1,028.00).

The area involved is 5 large bonded warehouses. Each equal to about 7 floors. Mr. Kearns had prints made-up and were delivered to me this date.

However, we do not have aero service in any Distillery Warehouses here in Louisville. None of us seem to know just how to figure aero for a whiskey warehouse. Most warehouses are the open-rick type from floor to roof.

Spurling has already contacted the Shively Fire Dept. and have permission to install the receiving equipment.

All of the Distillery business is located in Shively. The Annual revenue from this area is around $70,000.00. To let Yellowstone fall to Spurling would surely be the starting point for the others to follow when the ADT contracts expired.

Bob Hopf learned that the President of Spurling is or was in town. It looks like the push is on.

I would appreciate any or all the help you can give. OK?

W. J. O'Meara, Sales Rep.

J. B. Bodley

For Bugbee's trip to Louisville. (Handwritten).

[fol. 6319] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C35

ATLANTA, GEORGIA

November 30, 1956.

Mr. L. J. O'Brien:

Competition—Spurling Fire Alarm and Indicator Company
Louisville, Kentucky

Please refer to Mr. Bodley's letter of September 12, 1956 to me quoting Manager Hopf's report dated August 23, 1956 to Mr. Flammer, and Mr. Bodley's letter of the same date referring to our phone conversation and attaching a copy

of your letter (dated March 16, 1955) to Chief-of-Police Heustis of Louisville.

September 12th was my first information of the developements in Louisville.

The damage was already done. Spurling had already completed installation of a 30 drop receiving set in Fire Headquarters (called the Fire Tower).

Upon my last visit to Louisville, I discussed the matter with Manager Hopf and Sales Representative O'Meara who had somehow interpreted the situation as one where—since *we* had a connection into the Fire Headquarters we were not in good position to protest the receiving equipment of Spurling being installed.

Information received from Manager Hopf at that time showed that we have *one* connection into Fire Headquarters serving 227 subscribers involving about 500 transmitters, whereas the Spurling method would necessitate an individual connection for *each*.

Another point is that we now have invested several hundred thousand dollars in our Louisville business whereas that city is now actually subsidizing competition so as to make any business investment of consequence unnecessary on its part.

We employ 52 people in Louisville thus actually supporting some 200 or 250 Louisville citizens whereas Spurling will never need do that.

Our annual payroll of around $160,000.00 contributes substantially to Louisville, whereas Spurling will need no payroll at all.

The City of Louisville is thus contributing to the conceivable failure of one of its old established industries and is, in my opinion, both morally and legally in an unjustifiable position.

When it (the city) builds its own distilleries and turns them over to the outside liquor interests without cost, and its own tobacco warehouses, factories, etc; when it goes into wholesale businesses of every nature and into the transportation of people without charge, I feel it can then go into the protection business with some measure of justification—*but not until then.*

I asked Manager Hopf to ascertain from whom Spurling secured his authorization for the connection, thinking that

it might have been granted by Fire Chief Krusenkhaus, in which event he would have greatly over-stepped his authority but would have placed us in an unfavorable positon, as it would probably be inadvisable to go over *his* head to have the authorization rescinded.

A copy of Manager Hopf's letter, dated November 21, 1956, is attached. It indicates to me that a group of city "employees" have put the city into competition with ADT by subsidizing our competition. I do not believe that such authority was ever granted to them by the City Government.

[fol. 6320] I believe this can be upset by protest of our Executive Office to the City Council, which protest will, in effect, be going over the heads of those who made the decision which I believe should only have been made by the City Government, i.e. the City Council.

Whether or not our company wishes to "go to the mat" with the City of Louisville in which we have operated for more than half a century and in which we expect to continue to operate indefinitely is a decision which is not for me to make.

I believe the matter can be defeated right where it stands and, if we are going to take action, it should be taken *without delay.* It will be more difficult after Spurling has secured a subscriber or two—which subscribers might conceivably have political influence.

I defeated a similar situation in Cedar Rapids twenty years ago by simply offering to the City the *full* cooperation of the ADT Company, as has been its practice throughout its entire life. I can offer the Fire Department of Louisville (since by its recent action it has evidenced its desire for individual connections) an initial block of 227, with more to follow.

I can explain the savings which we can effect by so doing —in wire costs, in payroll, in testing expense (since all tests—thousands per year would go into the Fire Department) and the *necessity* for such savings to avoid losing our customers to Spurling who, due to his lack of expense) is in position to under-sell us.

I am willing to carry the matter into the Council if it is so determined. The decision and the initial protest (if it is so decided) must be made by the Executive Office.

My protest to the Council would carry no weight; that from the Executive Office would.

We cannot continue to hide behind the dubious safety of the present lack of recognition of the Kentucky Rating Bureau. Maybe Spurling will find a customer who doesn't care.

E. O. Betscher, District Sales Manager.

EOB/st.

cc: Mr. W. B. Flammer, Mr. R. L. Hopf.

[fol. 6321] In United States District Court

Defendants' Exhibit C36

September 12, 1956.

Mr. E. O. Betscher
District Sales Manager

Competition—Spurling Fire Alarm and Indicator Company
Louisville, Kentucky

Confirming our telephone conference on September 11, 1956, I am quoting as follows the letter dated August 23, 1956, addressed by Manager Hopf to Operating Superintendent Flammer, the contents of which were the basis of our discussion.

> "With reference to your letter of 8/21/56 regarding the above, this is to advise that Mr. O'Meara of the Sales Department and I were over to the Fire Tower Tuesday, August 21. The Spurling Company has installed receiving equipment which will eventually hold thirty (30) subscribers. At the present time they have telephone leased line connection to ten (10) of these. However, they have no subscribers that we know of as yet. At the present time it is our understanding they are still having trouble getting the Underwriters to approve equipment here in the city.
>
> This is no surprise to us that the Spurling Company has installed their equipment as they have been trying

to get into the Fire Tower for over a year. We are keeping abreast of all competition activities here in the city and will keep you so notified as these things develop. We had not notified you of this Spurling Company connection as we were trying to discover if the Underwriters were going to approve it or not. We might add that their equipment makes the equipment that we now have in the Fire Tower look very old and obsolete.

As further developments arise, you will be so notified."

Needless to say the potential effect of this development, if accurately reported, could be most detrimental to our better interests in Louisville, and the situation, therefore, deserves your prompt attention and good efforts, purposing to counteract any such a program.

[fol. 6322] I am confident that we can count on you to do the necessary to keep this office fully advised concerning developments. Furthermore, the writer will be very glad to render every possible assistance you deem necessary, so please feel free to give him a call if needed.

L. J. O'Brien, General Sales Manager. By: J. B. Bodley, Asst. to the General Sales Manager

vm

[fol. 6323] In United States District Court

Defendants' Exhibit C40

Cincinnati, Ohio

September 7, 1955.

Mr. C. L. Chafee
District Sales Manager

Re: Competition—Cincinnati, Ohio

No doubt you will receive a copy of Manager Hardy's letter to Mr. Edgar and a copy of a recent article in the paper. The letter and article refer to the installation of a *Spurling* Fire Alarm System in the Covington, Kentucky,

Protestant Children's Home and connected directly into the Covington Fire Department. The installation was made by the Cincinnati Fire Detection Company operated by Mr. E. M. Prettyman, Jr. We might add that former Sales Representative Foster quoted on this home several years ago, but nothing came of it at the time, due to price. This installation is similar to the one now installed in the Cincinnati Fire Tower that you are familiar with.

We are now involved with the Cincinnati Fire Detection Company regarding a Sprinkler Supervisory and Waterflow Alarm quotation with Early & Daniel Company, a present subscribed. After we had quoted our standard prices, we were informed by the insurance interests that competition had been called and that the Cincinnati Fire Detection Company proposed running the waterflow directly into the fire headquarters and the supervisory into the A. B. Alarm Company's Central Office. In other words, our two competitors are working together on this deal. No decision has been made as yet regarding this job, and as soon as it is, a full report will be furnished you.

There isn't much more to report at this time, except that our competitors here, namely Walnut Hills, A. B. Alarm Company, and Cincinnati Fire Detection Company are active. We shall keep you advised of any new developments.

A. A. Balestrino, Sales Representative

AAB/rk

[fol. 6324] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C41

Cincinnati, Ohio
September 10, 1954

Confidential

Mr. C. L. Chafee
Commercial Superintendent

Re: Competition Direct-Connect to Fire Tower

As per your request, we have further investigated this competition, and we find that there was no city ordinance passed permitting them to hook up. It was covered with an agreement between the individual companies and the City of Cincinnati. We were able to secure the information that was in these agreements and are attaching copies of the agreement between the two companies. This particular agreement that we are attaching is the one with the Spurling Fire Alarm Company. However, both of them read alike.

From the information we have been able to dig up, negotiations started in March of this year, and this agreement was signed August 6th. We also were able to see a letter written by the Communications Chief to the City Manager in which he stated, "Myself and the Assistant Superintendent inspected the *Spurling* Fire Alarm installation at the GE Lockland Plant and found that the exact location of a fire is indicated. It is believed that the proposed service will be a great asset to the fire-fighting forces". This was in a letter to the City Manager dated 3-11-54.

We believe that Mr. Jones, Superintendent of Communications, is referring to the Spurling Automatic Fire Alarm System which was bought by the GE people for their AEC Plant. This is the building that our company bid on, and our bid was double Spurling's price.

We are furnishing Mr. Hardy, Operating Manager, a copy of this agreement as per his request, and we are attaching three copies for your files. However, we would appreciate it if the source of these agreements be kept

confidential as it might involve certain people. To this date, we have been unable to find out any subscribers that the two companies have secured. Up to now, we have been relying on the Communications Chief for our information, but on our last visit, he definitely stated he was opposed to his hook up, but upon investigation, we saw the letter he wrote to the City Manager recommending it. We will keep you advised as to any further developments.

R. L. Hopf, Commercial Representative

RLH/rk

P.S. We also wish to advise that we saw a letter from the Cincinnati Fire Chief, Barney Houston, in which he recommended that permission be given for this hook up as he believed it would be a great asset to the fire department.

Agreement

[fol. 6325] This Agreement made by and between the City of Cincinnati, hereinafter known as the "City", and the *Spurling* Fire Alarm and Indicator Co., Inc., and Cincinnati Fire Detection Service, Inc., hereinatfer known as the "Company", on this 6th day of August, 1954, Witnesseth:

Whereas, the Spurling Fire Alarm & Indicator Co., Inc., and the Cincinnati Fire Detection Service, Inc., desire to place one of their locater panel in the communications building fire central office, which will have circuits extending from said locater panel to buildings that are protected by Spurling Fire Detection equipment; and

Whereas, it is felt by the City of Cincinnati that the proposed service will be a great asset to the fire fighting forces; and

Whereas, the locater panel will remain the property of the Spurling Fire Alarm & Indicator Co., Inc., and the Cincinnati Fire Detection Service, Inc., who shall be responsible for said equipment and shall maintain and inspect said equipment; and

Whereas, the City of Cincinnati Fire Department will promptly answer and respond to all fire signals given by the locater panel; now, therefore,

It Is Hereby Agreed By and between the City and the Company

1. That the Company will be permitted to place their locater panel and a recorder in the Communications Building Fire Alarm Central Office at such locations selected by the city, and will furnish a recorder that will identify the location of, record, and stamp the date and time of an alarm of fire as recorded on the locater panel. There shall be an audible alarm connected with the Company recorder. The trouble signal shall not operate the recorder (except telephone line breakage that cannot be avoided). However, an audible trouble signal shall be provided.
2. That the locater panel will be kept in operation at all times and that it will be inspected at least once a month and further that all mechanical failures of said locater will be repaired immediately and all fire alarm systems connected thereto will remain in operation at all times.
3. All installations, maintenance and inspections will be made according to the National Board of Fire Underwriters' pamphlet No. 72 and further shall be made under the supervision of the manufacturer of the equipment.
4. Title of the locater panel remains in the name of the Company at all times.
5. The City agrees to answer and respond to all fire signals reported on the locater panel and further that the Company will be notified when a trouble signal appears on the locater panel.

[fol. 6325a] 6. This agreement may be terminated by either party by giving the other party thirty (30) days notice. Upon termination of this agreement the locater panel shall be removed by and at the expense of the Company.

In Witness Whereof, the City of Cincinnati, by H. M. Bruestle, Acting City Manager, hereunto duly authorized and the Spurling Fire Alarm & Indicator Co., Inc., by *H. B. Sandine* its *National Sales Manager,* hereunto duly authorized and the Cincinnati Fire Detection Service, Inc., by ———— its ————, hereunto duly

authorized, have hereunto subscriber their names the day and year first mentioned above.

City of Cincinnati, by ——, ——, Acting City Manager. Spurling Fire Alarm and Indicator Co., Inc., by /s/ H. B. Sandine, Sales Mgr. Cincinnati Fire Detection Service, Inc., By ——, ——.

Approved as to Form:

——, ——, Asst. City Solicitor

[fol. 6326] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C42

ATLANTA, GEORGIA

September 17, 1953.

Mr. A. W. Sullivan:
Executive Representative

Auxiliary and Direct-Connected Competition
Charleston, S. C.

Thank you very much for your letter of September 10, 1953 on the above subject and the NBFU bulletins attached. This valuable material has reached us at a most opportune time. We have previously reported regarding the efforts of a Spurling Fire Alarm Company to sell direct-connected automatic fire alarm service in Charleston, South Carolina. A special committee appointed by the Charleston Board of Fire Masters recommended approval of Spurling's request for permission to install receiving equipment at the Fire Headquarters and we have been endeavoring for several months to influence the members of this committee to withdraw their recommendation. In this effort we have made full use of NBFU phamphlet #72 but have not in this particular problem used bulletins #118, 119, 120 and 261. The Charleston Board of Fire Masters is holding their regular meeting on Tuesday, October 6, 1953 and we can arrange for a further hearing on the Spurling matter

at that time, however, Spurling has not been able to obtain a contract even through they have representing them in Charleston, a retired Navy Captain who is fairly well known and influential in the community. His efforts during the past six months have been completely fruitless and we are inclined to expect that he will give the project up as a lot of wasted effort.

Under these circumstances, we wonder if it might not be just as well to refrain from pressing further at this time with regard to the Spurling matter. Naturally, the members of the special committee find themselves in an awkward position having recommended what they now know to be an unwise fire alarm procedure. If, as we anticipate, Spurling gives up their sales effort in Charleston as a hopeless proposition then these members of the Board of Fire Masters will not find it necessary to admit their error and perhaps develop a little resentment toward us.

We would welcome your advice on this particular problem as we are frankly arguing with ourselves as to whether or not we should appear at the Board of Fire Masters next meeting for the purpose of presenting further argument in this case. Our inclination at the moment is to "let the sleeping dog lie".

You will be interested also regarding our continued efforts with the Southeastern Underwriters Association with regard to making our competitors, particularly Gamewell Company, conform to the regulations of the NBFU with regard to maintenance and inspections. Here again we have a situation where people whose goodwill is of great importance to us being placed in a position of admitting that they are not conforming to recognized high standards has given the same credit for Gamewell's auxiliary systems [fol. 6327] for fire alarm. For some year, the SEUR without any provision for maintenance as they give for ADT direct-connected service with monthly inspections and full maintenance. Hundreds of important clients insured by stock companies in the Southeast would be seriously disturbed if the SEUA suddenly reversed themselves on the subject of auxiliary systems. Recognizing this fact, we have been proceeding with as much tact and diplomacy as possible to bring about a gradual tightening up of requirements with regard to maintenance and inspections of auxil-

iary systems and feel that we are making some progress. We were especially pleased to have Mr. Harvey Pye, Chief Engineer of SEUA, invite the writer to lunch with him recently and volunteer on that occasion, the information that our presentations regarding the auxiliary alarm problem had been receiving their careful consideration and that steps were being planned for the gradual tightening up of SEUA requirements in this regard.

Incidentally, you will also be interested to know that the Southeastern regional office of FIA has advised its representatives in this area as to the need for maintenance and inspection arrangements covering fire alarm installations, particularly where they are contemplated as a substitute for watchmen. Factory Mutuals representatives in this area fully recognize the need for maintenance and inspections and do their best to promote ADT direct-connected service in lieu of auxiliary systems. There are however, some instances where competitive factors, the attitude of Fire Department officials, or other unusual conditions, prompt the preferred risk companies to accept auxiliary systems with no maintenance.

We are progressing very slowly in our campaign to more effectively control auxiliary system competition and plan to steadily continue our efforts to influence the Underwriters to demand that the auxiliary alarm companies conform to National Board Standards regarding maintenance and inspection.

E. J. Heisley, Commercial Superintendent

EJH:bn

cc: Mr. A. E. Smith

[fol. 6328] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C49

DETROIT 26, MICHIGAN

March 4, 1960.

Mr. R. T. Warner,
District Sales Manager,
Boston, Massachusetts

Re: General Motors Corporation New Departure Division
Bristol, Connecticut

At the present time we are rendering Central Station Protective Signaling Services at the subject location in the amount of $14,607.00 per annum, and Direct Connect Burglary Protection Service in the amount of $281.00 per annum.

At the F.D.I.C. Convention in Memphis, Tennessee, Sales Representative, J. A. Summers, was advised by Mr. John Ahern, Director of Security, GM Corporation, that they were not satisfied with our service in this plant. We have checked our file on this location, and we have a copy of a letter from Mr. Hugh N. Campbell, Supervisor of Plant Protection and Safety at this plant, stating that our equipment is very old and renovation should be made to bring our equipment up to standard. This was in connection with our negotiations for a renewal of our services at that time. The renewal agreement was signed, however, we notice that a thirty (30) day cancellation clause was inserted in the agreement.

Mr. Ahern further advised that they are presently negotiating with Notifier Alarm Company for a complete Proprietary System.

It is our suggestion that our representative should contact these people to determine how far Notifier has progressed with their negotiations. We would appreciate any

information that you may have locally in order that we may discuss this location further with GM Headquarters.

D. R. Hall, District Sales Manager

JAS:pn

cc: Mr. L. J. O'Brien.

Mr. Bodley

To note & file. RxxxB. 3-11.

[fol. 6329] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C53

KANSAS CITY, MISSOURI

May 6, 1958.

Mr. L. M. DeSchane
District Sales Manager
St. Louis, Missouri

Re: Midwest Conveyor Co., Inc., 450 East Donovan Road
Kansas City, Kansas

The Pinkerton competition was included in the form 701, because of the fact that Midwest was considering using Pinkerton Watchman Service. This service was used at their prior location. No sir, I did not mean to leave the impression that their service was going to include an alarm type system. Watchman service only was *the* Pinkerton proposal.

The Notifier Company would have installed a Direct Connected Waterflow System to the Kansas City, Kansas Fire Department with local supervision on the valves, air and pumps.

The Notifier system is presently installed at the big Colgate Palmolive Co. Plant, 17th & Kansas and is on a direct connect basis to the Kansas City, Kansas Fire Department. As you know the Fire chief will accept any type of direct connect service and has for several years. Needless to say they make a strong pitch with the fact that

the large Colgate Plant chose Notifier instead of A.D.T. because of cost.

Yes sir, you may rest assured that when the additional service is added, we will improve our financial position with this account.

As stated in my covering letter dated 4-4-58, I pointed out the tremendous activity Notifier has exerted recently. Now that D. C. is approved for insurance credit, with the small difference from an insurance savings viewpoint, we can expect greater competitive action because of their lower cost.

[fol. 6330] Unfortunately, the competition from D. C. systems is not limited to Notifier. Damon, Spurling, Mossie, are increasing their activity in this field. Damon and Mossie are using Potter Equipment. Kansas City, Missouri, Kansas City, Kansas, North Kansas City, Missouri, St. Joseph, Missouri and Atchison, Kansas will permit any and all direct connect type systems. This is not something that happened over night. They have had D. C. systems for years.

Please pardon my error of listing Pinkerton under the heading of "Competitor's Quotation". In the future same information will be included under "Remarks".

Kindly advise me if any further information is desired.

Thank you and regards.

Roy G. Dodd, Sales Representative.

RGD:td

[fol. 6331] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C55

KANSAS CITY, MISSOURI

April 4, 1958.

Mr. L. M. DeSchane
Dist. Sales Manager
St. Louis, Missouri

It occurred to me that you would be quite interested in the attached competition report #91 dated 4-4-58 together with detailed exhibits.

While the data is quite lengthy it is apparent that it was digested by Midwest because of Exhibit "B" prepared by Mr. Charles Hysler of Midwest, which was based on my written presentation and, of course, several million words.

Mr. MacDonald, a consulting Engineer, was not favorable to A.D.T., but by the use of the enclosed data it was possible to see Mr. Hysler and he in turn arranged a meeting with Mr. Potter, President of Midwest.

At this time Mr. Potter will not consider elimination of watchman, but I have been advised by Mr. Hysler that A.D.T. will eventually be awarded the complete protection job.

Frankly, the very fact that Kansas City, Missouri; Kansas City, Kansas; St. Joseph, Missouri and all outlining municipalities accept direct connect service into the Fire Department has created a tremendous competitive situation. While it has been possible for me to secure the business—Notifier is dealing me a fit. Just last week, as outlined in competition report #90—Notifier had the inside track down to the finish line until we scared the subscriber with the possibility of a shut valve.

Competition is nothing new to me for during my sales career with Brach Candy Co., and General American Insurance Co., I too had competition. But, it must be pointed out that the overall price picture was quite different.

Kindly have Exhibit "B" returned after it has served its purpose, as it will be used as a sales aid in other presentations. My best regards.

Roy G. Dodd, Sales Representative.

RCD:td

[fol. 6332] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C59

ST. LOUIS, MISSOURI

March 14, 1957.

Mr. L. J. O'Brien,
General Sales Manager,
New York, N. Y.

Competition—Omaha & Lincoln, Nebraska

The Notifier Company, a Lincoln concern, has been selling Direct Connected Automatic Fire Alarm services throughout this District for several years. They are quite active in Lincoln, Omaha, Kansas City, Missouri, Kansas City, Kansas, Topeka, St. Joseph and Wichita. They also sell their equipment in the smaller towns.

Just recently the Notifier Company were successful in securing a job in Omaha with a Direct Connection to the Fire Signaling Headquarters and with complete approval of Fire Commissioner Simon and Fire Chief Fieldt. These two Gentlemen insist that any approved system may terminate in the Fire Signaling Headquarters since their primary concern is the safe-guarding of life and property, and further, they feel our "prices are completely out of line."

We understand the Gamewell Company is also submitting bids on Fire Alarm Systems to Industrial Plants throughout this District. Should a Burglar Alarm system be required to complete an automatic protection program, they will survey and bid on that too. Notifier will do likewise.

Direct-Connected Burglar Alarm in the City of Omaha, other than a Bank installation or two, has not thus far been accomplished since our good friend Police Chief Green has used the argument that operational facilities are inadequate to accomodate our competitors with space.

At this time we are competing with the Gamewell Company in Omaha on a new U. S. Rubber Company job.

We further understand that any company selling approved Fire Alarm Systems of a type compatible with that used by the City of Omaha, may connect directly to city circuits.

L. M. DeSchane, District Sales Manager.

LMD:dc

[fol. 6333] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C60

OMAHA, NEBRASKA

February 11, 1957.

Mr. D. H. Barnett, Dist. Opr. Supt.
Saint Louis, Missouri

Competition: Omaha Notifier Alarm Company and Fire Detection of Omaha (Dictograph Corp.)

Just recently I called on one of our DW-BA subscribers, Mr. Norris O. Fellman, Controller of Levey Distributing Co. located at 1103 Harney Street. During our conversation about service he asked me why we were so high-priced on SS&WF service. I explained our service operations, etc. to him in full to enable him to have a better picture overall and to justify our sprinkler service costs.

He advised me that he would like to have our sprinkler service at their warehouse but the high cost had kept them from doing any more about it. He also stated in his conversation that a party from another firm had called on him and quoted him a much lesser price on a direct-to-fire alarm office system. He remarked that he would much rather have our service than some outsider due to already having ADT burglar alarm service and knowing that this service is very good from past experiences. After talking to him for a while and offering him a comparison of the two services, he advised me that he would like to talk this over with our Sales Representative at a later date, around the 15th of February or a little later as they were in the process of starting their inventory and he would like to finish same.

Upon my return to the office I explained what had happened to Sales Representative Blose and told him to contact Mr. Fellman as per his request.

In my conversation with Mr. Fellman he advised me that it was the Notifier Fire Alarm Company representative and also that he had a representative of the Fire Department Inspection Bureau suggest that he check into this service. He asked that I not divulge this to any of the fire officials

in any way as he did not wish to become involved in anything that would lead to an unhappy condition with the fire department.

A couple of weeks ago Chief Fields had called me by phone to advise me that he thought it would be a good idea to have our salesman call on the U.S. National Bank people and try to get them to go along with a fire alarm system for the space leased to F. W. Woolworth store. This store had just had a bad fire and at the time it was believed that they would remodel (They have since decided against this and are offering the space on a sub-lease to anyone interested.) Bank officials were contacted regarding this and said they would keep this in mind at a later date.

[fol. 6334] During our conversation, Chief Fields wanted to know why we charged such prices as we did for this type of service when others could do it for much less. He stated that he liked our service but that we certainly ought to do something about those charges. At this time I asked him about the direct-connected system and he made the same statements to me as outlined in my letter of November 16, 1955. He said that he was only going to help the direct-connected systems along until they could get their own office going and besides he did not have sufficient room at the Fire Alarm Office to handle this on a large scale operation and would not do so, and that these people had been given that understanding. He did not imply that the direct-connect equipment had yet been installed in our conversation at the time but merely that he would authorize it.

On the afternoon of February 7th, Sales Rep. M. S. Blose and I decided to call and make a visit to the City Fire Alarm Office to determine if there was any activity there on the direct-connected system.

We met Sup't Art Gaeth and while visiting with him noticed that there were two direct-connect fire alarm receiving sets located in the NW corner behind a door leading into the terminal room. We asked Sup't Gaeth about them and he said that they had just been installed recently and were sanctioned by Chief Fields. We noticed that one of them was Notifier Fire Alarm Company and the other was Fire Detection of Omaha (and/or Dictograph Corp.) The latter firm has an office located at 329 So. 24th Street.

The Notifier Fire Alarm Company receiver had one sub-

scriber's name shown on it, Hinky-Dinky Super Market located at 72nd St. & Dodge Street, a waterflow subscriber to one wet pipe system. (Hinky-Dinky Super Markets are operated by Mr. J. M. Newman, President of this multi-million dollar operation serving Omaha, outstate Nebraska and also Council Bluffs and other smaller Iowa towns. We have Central Station BA service at their Omaha warehouse which operates under the name of American Community Stores Corp.

Fire Detection of Omaha also had one subscriber to a Thermostat & Rate of rise system under the name of Hutcheson Display Art Studios, located at 517 So. 14th Street.

As you already know, Chief Fields has been a strong advocate of any type of fire reporting system installation and in his remarks has always elaborated on Notifier Fire Alarm system in conversations with yourself, Mr. Fryxell and me on our visits to his office at various times during the past three years or so.

The only reason that I know of that Notifier had not been direct-connected before this has been that the facilities of the telephone company were not vailable at that time.

My discussions with Chief Fields from time to time on this subject have always been on a very friendly basis; however he has always been very outspoken on his opinion of this type of service and stated that he welcomes any alarm system that will help his department in any way in discovery of a fire.

[fol. 6335] I have been well acquainted with several of the various chiefs, arson bureau personnel and inspection department personnel over a period of several years, some of them are close friends—and in conversation with them (including Fire Alarm office Supt. Art Gaeth) they have been able to hint around that they do not all feel the same way towards the various competitive fire alarm systems as does Chief Fields. Of course I have to be careful not to mention these facts around Chief Fields.

In April, 1955, I called on Mr. K. C. Walther of Telephone company Service Engineers office relative to inquiry as to facilities available for use by Notifier or others and whether any request had been made regarding facilities. He advised me that there were no facilities available for that purpose

at the time and that he had discussed this with a Notifier representative at the time.

In November of 1955, I again had occasion to contact Mr. Walther and discuss available facilities for this purpose and he stated that he did have 40 or 50 pairs available and that upon request, they would have to furnish them to any firm requesting them.

I have seen and heard enough from various souces to realize that this whole matter is involved in local politics. Chief Fields was elevated to that position by pressure brought to bear on Fire Commissioner Simon by former Senator Sam Reynolds of Omaha and it is a well known fact that he previously held the position of National Head of Civil Defense thru the same powers. Actually, Fire Comm. Simon and Chief Fields do not get along at all and their fire department problems are and have been continually brought out in our local newspaper. At this time Fire Comm. Simon is campaigning for the position of Mayor; under the new city charter amendment, elected officials will take office on May 27, 1957 at 7:30 PM.

/s/ H. E. Elster, Manager.

[fol. 6336] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C61

January 9, 1957.

Mr. E. Turnbull
District Sales Manager

Competition—Oshkosh, Wisconsin

Thanks for your January 4 letter, with attached copy of letter from Mr. Reiter dated December 22.

You, perhaps, do not know that we have rather severe competition in Dayton with a company that connects its systems into a telephone answering service. This situation is somewhat aggravated in Dayton due to the fact that the competitor got a substantial amount of business before we effectively combated him. I am sure Mr. Rives can keep abreast of this situation in Oshkosh, and would like to be

sure that we do everything possible to get most of the business, preventing NOTIFIER and Autocall from getting too deeply entrenched.

Please keep us informed, and let me know at any time that I can assist you in any problem with competition at Oshkosh.

L. J. O'Brien, General Sales Manager.

By: Ray Brechbill, Assistant to General Sales Manager.

AS

[fol. 6337] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C66

CHICAGO 3, ILLINOIS

May 27, 1955.

Mr. L. J. O'Brien,
General Manager of Sales Production,
New York City, N. Y.

Banks, Direct Connect Privilege.

We have only Chicago and surrounding suburban areas to serve with Central Station service. There are no franchises in any of them.

There are no direct-connected bank installations in the City of Chicago. The police department does not permit direct connections.

There is, however, in existence in Chicago an arrangement under which banks, building and loan associations and such financial installations (not pawn shops or currency exchanges) can purchase a transmitter type of police box called a "Miller" box and have it connected directly into the City police alarm circuits.

This Miller box arrangement has been in existence since about 1930 dating from the time a city employee named Miller, working for the Sanitary district developed the box and through his political connections got the connection privilege.

The Miller boxes are still available and are the means now being used by the Diebold-McClintock outfit to effect

city connections. About three years ago a city policeman approached a new bank in Mr. Mallin's territory suggesting the purchase of a Miller box. We got the contract however.

In the suburban area outlying Chicago Diebold effects direct connections over leased wires. We lost two such orders to them recently.

Now to come to your letter. Your second paragraph isn't too clear. You say "please let us know in what Central Station Cities 'WE' have banks connected directly to the police department." By 'we' I assume you mean ADT. If that is so, we have none. We do not connect banks directly if they are within reachable central station distances.

We know of fifteen banks lying within reach of our central station services, (within Chicago and suburbs) which are connected to police departments either over Miller box circuits or private leased wires. There are probably several more.

EOB, District Sales Manager.

EOB:jw

[fol. 6338] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C67

CLEVELAND, OHIO

May 23, 1955.

Mr. J. B. Rustic,
Genl. Supt. Opr. Dept.,
New York, N. Y.

B.A. System by Diebold, Inc., Canton, Ohio

Attached for your information is an article which appeared in The Canton Repository of May 13 with regard to an ultrasonic burglar alarm system placed on the market by Diebold, Inc. of Canton.

G. Egan, District Operating Supt.

C/c—Mr. C. L. Chafee, District Sales Mgr.

[fol. 6339] Received May 23, 1955, Dist. Comm. Sup.
A.D.T. Cleveland

—ory, Canton, O.

Mouse Could Set Off Diebold's New Device To Detect Burglars

An ultrasonic burglar alarm system so sensitive that the slightest movement in the guarded area will set it off has been placed on the market by Diebold, Inc. The company has set up sales and service facilities for the new product.

The device for use mainly in banks, can be tuned to such sensitivity that even a mouse walking across the floor or the dropping of a pin will set off an alarm, Diebold officials said today.

The inaudible ultrasonic waves saturate the area to be protected from ceiling to floor and wall to wall and no one can enter or leave the premises without being detected.

Anyone who might be hiding in the premises after close of business would be detected immediately upon movement. The breaking of a window or opening of a door also would set it off.

The device is activated by a timer set to start it after activities have ended for the day. Both the transmitter and detector, which work on sound wave comparison, are small and can be concealed so that an intruder scarcely would know the premises are being guarded by them.

The device can be used as an independent alarm or as a supplemental "trigger" device for the Diebold-McClintock burglar and police alarms. It can be wired direct to police headquarters or to the burglar alarm outside the building or both.

Officials say the device will detect fire faster than any known conventional fire warning device because flames set up a heavy air turbulence that will set it off.

It is designed for use at branch banks, detached drive—in banking counters, tellers windows where silver is stored overnight, bookkeeping department or record-filing areas. Cost for ordinary installations is estimated not to exceed $1,000, Diebold spokesmen said.

[fol. 6340] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C76

FLINT, MICHIGAN

August 13, 1954.

Personal

Mr. D. R. Hall
Commercial Superintendent

As you know the banks of this city have started a movement to change their protection from ADT Central Station to *Diebold* Direct Connect. I have been trying to combat this move in two ways, one through the Police Department and the other by offering partial protection approximately equal to that offered by the competition (door contacts and police call). So far, the Police Department has made no blanket decision and Chief Paul informed me today, that they would take each case as it came and decide whether or not they could tie into the Radio Room.

While on a call to Mr. G. W. O'Neil, Vice President and Cashier of Genesee County Savings Bank last week, he made a proposal concerning their organization which I think we should accept if at all possible. His suggestion was this, that we give him a straight 10% reduction across the board on everything and he would forget all about any competitive deal and stick with ADT.

They now pay us $5,756.37 per year and have one new branch under construction. This would amount to a reduction of some $576, however it would assure us of getting the new branch which would amount to something like $625 after the 10% were applied.

I strongly urge serious consideration of this proposal since I certainly feel it is better to loose 500 than 5000. However there is one other factor to be considered and that is that these bankers are thicker than mud and it it is granted to one, we will undoubtedly get a large scream from the other two chains to grant the same consideration.

Please advise as soon as possible.

R. L. Beckwith, Commercial Representative

[fol. 6341] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C81

November 11, 1953.

Copy for: Mr. T. I. Young

Air Mail

Mr. E. P. Hagan
Commercial Superintendent

Competition—Biebold Police Headquarters
Milwaukee, Wisconsin

Tom Young has discussed the conversation he had with you on the above subject and it is my hope that enclosed herein you will find the proper ammunition with which to meet the situation in Milwaukee.

1. Attached you will find a copy of a letter I prepared for submittal to the Corp. Counsel of the Law Department of Jersey City, on the subject of an Atmo installation of a register in fire headquarters. Although this covered a fire department installation, nonetheless, it encompasses many arguments which you may well use on the subject of the installation of a board in the police department. Therefore, you may feel free to utilize any portion of it as may fit your situation in Milwaukee. You can feel free to discuss the general arguments with Mr. Leich of the Merchants Police Company but you should not formally join with him in a common letter.
2. The traditional position of our company has been to take a stand against any direct connections in any city where a central station is available. On the other hand, we have always felt free to argue in favor of direct connected service into any headquarters in those cities where a central station is not available. You might further point out that it is scarcely equitable to grant such a permission in a city such a city as Milwaukee to one concern which has little capital investment as against a firm such as ours or the Mer-

chants Police Company who have very sizeable capital investments in central station operation. Furthermore, if this were to be allowed, the resulting low
[fol. 6342] rates of the non-central station company would have a tendancy to knock down all of the price structures with a resultant chaos in the Burglar Alarm industry. To draw this argument to the ultimate, if this permission were granted to a non-central station company, would we not have the right to do away with our central station and request the city to accept all our signals in their headquarters?

A further and very valid argument is the fact that the standards for local alarms published by the Underwriters' Laboratory do not, and have not given any recognition in the form of additional credits for systems directly connected into police headquarters.

3. We have had instances in the past, for example, Jersey City, where a strong position was taken using the arguments outlined above and others wherein the connection was not allowed but rather awoke the municipality to the possibility of a franchise tax against us. When this or any similar spectre raises itself, we generally ease off in our efforts. This latter is merely for your guidance inasmuch as it is one of the possible pitfalls. We are sure, however, you will apprise us of any new developments on that score.

It is our hope that you have sufficient information herein to guide you in your activity in Milwaukee. If not, please feel free to call upon us for whatever further assistance we may be able to give you.

L. J. O'Brien, Supt. Commercial Control

RD

CC: Mr. T. I. Young

[fol. 6343] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C87

OMAHA

January 5, 1952.

Mr. A. E. Smith
New York, N.Y.

**Please mail direct, with notifying copy here.

W. W. Dooley 1-7-52

Mr. Dooley:

First National Bank, Omaha, Nebr.

This subscriber is giving consideration to the discontinuance of our Phonetalarm and Police Call services, and the installation of a local alarm system to be purchased outright. They have received a quotation from Diebold in the amount of $5000 covering outright sale of local vault protection and eighteen police call devices.
To assist me in combatting this discontinuance, will you kindly furnish me as promptly as possible (1) list of banks using our BA service, and (2) an analysis of the advantages of ADT central station vault protection vs local bank vault alarms.

M. E. Hubert, Commercial Representative.

Jerry—Please follow Mrs. Daly is preparing, JW, 4/4/52. (Handwritten).

[fol. 6344] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C89

January 13, 1958.

Mr. R. T. Warner,
District Sales Manager,
Boston, Mass.

Re: State of New York Executive Department,
Division of Military & Naval Affairs,
Albany, N. Y.

We have contacted the Adjutant General by the name of General J. H. Herzog, who turned me over to Colonel J. T. Bollenbacher and Major J. Middlebrook, who is the Finance Officer. These two gentlemen are in charge of signing new A.D.T. contracts and were the ones who instigated the action that has perturbed our Mr. A. W. Edwards in Buffalo, N. Y.

Mr. Edwards has good reason to be concerned about the renewal at Buffalo, for Major Middlebrook informed me that they are considering the possibility of eliminating all A.D.T. service in all the State Armories as the A.D.T. contracts come up for renewal.

The reasoning behind all this is that about four years ago the State provided these Armories extra Watchmen and a Detex Clock System for these watchmen. Both of these gentlemen feel strongly that the A.D.T. System is actually a duplicate of this Detex-Watchmen Service and that one or the other must go before the budget department points out this duplication and insists that they eliminate one of these services. After much effort on my part I feel that I have convinced these people that there is no comparison between the two systems and that A.D.T. should be retained.

There is also a great concern on their part in signing a five year contract, when their money is only provided year to year. I assured them we could provide a clause on any contract up for renewal covering this situation. Also the thought of any increase in our rates produced the statement that such an increase would be the finish of our rela-

tionship. This is very important to me because I have two contracts for renewal this Spring, and they amount to Present Rate $1230.00 and Increase $705.00 one one, and another at a Present Rate $850.00 and Increase $183.00. Major Middlebrook, would be the gentleman who would sign these agreements.

I personally feel that if Mr. Edwards adds a one year clause on his contract and maintains the present rate, he should be able to submit his contact with a good chance of having it signed.

[fol. 6345] Taking advantage of the opportunity as it presented itself, I informed the Major and the Colonel that if they were so interested in saving money in regards their watchmen problem, the A.D.T. Company could be the means of their saving some real amounts of money. At this point I went into the A.D.T. Automatic Service Protection sales talk same as U. S. Rubber. I told them we could provide automatic service for all the Armories at a cost of approximately one (1) watchman. That is to say maybe 4,000. per Armory if there were enough Armories involved. Major Middlebrook was extremely interested and informed me he wished to discuss this with his superiors and also agreed that I should send him some literature covering this Watchman elimination idea.

At this point I would appreciate you or some other A.D.T. Personnel intervening with helpful suggestions. I feel that it is important enough to merit such attention.

R. A. Bewes, Sales Representative.

RAB:fek

[fol. 6346] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT C91

SAN FRANCISCO, CALIF.

June 27, 1962.

Reply to Letter of: 6-21-62

Mr. Ray Brechbill
General Sales Manager

Attention: Mr. Norman E. Carlson,
Government & Special Sales Division

Golden Gateway Redevelopment Project
San Francisco, California

The information sent with your letter of June 21 is very much appreciated and has since been discussed with the Design Engineers.

In the meantime, however, the project specification for the alarm system has been completely rewritten to exclude all reference to Autocall or equipment of any other manufacture, and simply describes the types of services intended.

Mr. S. Johnson and I read the specification thoroughly and there appear to be no restrictive features and no requirements that would impose additional costs to us in bidding. The specification provides for a Proprietary type system, in compliance with N.B.F.U. pamphlet No. 72, with two or three alternates, one of which is for a simple breakglass MFA and bell system for evacuation purposes only. The names of five companies are mentioned as approved—ADT, Gamewell, Autocall, Couch and Edwards.

A standard Central Station leased service proposition was discussed with an ADSC of approximately $36,000.00 and with an ASC of approximately $18,000.00, with remarks to the effect that these figures could be substantially reduced if we were permitted to revise the equipment detail to provide a less elaborate service to the owner.

It is doubtful at this point that serious consideration will be given to this proposal. It is expected that the specifica-

tions will be complete and on the market for bids soon after July 1, at which time we shall send a set to you for estimating purposes.

W. K. Francis, District Sales Manager.

WKF/ef

cc: Mr. J. R. Lopez

[fol. 6347] In United States District Court

Defendants' Exhibit C97

American District Telegraph Company
Electric Protection Services
155 W. Congress Street, Detroit 26, Mich.,
Woodward 2-5066

February 27, 1957.

Special Attention

Mr. L. J. O'Brien
General Sales Manager

Re: Proprietary Systems, General Motors Corporation, Chevrolet Division, Ford Motor Company, Chrysler Motor Corporation

As you no doubt know, Mr. Summers and I have spent an awful lot of time with the Chevrolet Manufacturing Division, Chevrolet Engineering, and Chevrolet Security trying to come up with some kind of a proprietary system with a maintenance contract to replace our present Central Station Night Watch and Fire Alarm agreements. Chevrolet Engineering Division has specified, as has Ford and Chrysler, systems pretty much patterned after Auto-Call P & I Systems and it seems as if nothing else will satisfy them.

We have had many discussions with Mr. Chris Addison who has the final say and although he has gone along with us for many years on Central Station, the pressure from other departments and his own feeling lead us to believe that the party is just about over. As a matter of fact, we can see signs of complete conversion to proprietary and Mr. Addison would like very much for us to have the busi-

ness on a basis of a maintenance proposition rather than give it to Auto-Call or Gamewell. I think that we could get almost as much money on maintenance contracts as we do for Central Station and I think that although keen opposition has been expressed by management in New York to any kind of a system of this type, we must face the facts and deal with it in one way or the other in the very immediate future. If we do not elect to design and manufacture a box of this type, would it not be possible to buy the equipment from some other manufacturer or vendor? I have no knowledge of such matters, but think that we are faced with an out and out losing game unless we do something to overcome this very difficult problem. Our negative attitude in the past has brought us nothing but cancellations from Chrysler and Ford and now they are beginning to become quite evident with the Chevrolet Division of General Motors, to say nothing about the business that we have lost on new projects that we were completely shut out of such as the new Ford Administration Building here in Detroit, Plant #2-Chevrolet at Flint, Willow Run-Chevrolet here in Detroit, and many others.

[fol. 6348] Currently, we have 13 Chevrolet Manufacturing Plants scattered throughout the country with Central Station Night Watch and Fire Alarm Systems. The total revenue from those plants is approximately $20,000 per annum. The contracts are in jeopardy because nine of the thirteen will expire in 1957 and one has already expired in Tonawanda. Therefore, we are faced with immediate action with a large per cent of the business that we already have on the books.

Our first loss was the Kenmore Avenue Plant in Buffalo, annual service charge, $2,962.00. The next one we are going to lose, and it is definite, is the Van Nuys Plant, $1,568.00. We are on very thin ice, also, at Plant #1-Flint, annual service charge $3,633.00. We were also asked to bid on a big parts building in Flint, but cannot comply with the specifications.

All of this information is decidedly factual and in my estimation needs priority consideration. We know as a matter of fact that all of these plants that have our service are being tested time and time again, they know the class of service we are rendering, they claim to have multiple rea-

sons for changing to a maintained proprietary system, and although we have in some cases the blessing of local management the situation still is quite serious and difficult to cope with under present conditions.

Would you therefore see if there is anything that we can do to relieve the situation. I know that the Engineering Department has spent a lot of time on this proposition, particularly with the Ford Motor Company deal, but that system does not appeal to Chevrolet Engineering or to Mr. Addison, and Ford was not even luke-warm on it. So, we must start from scratch and see what we can come up with.

D. R. Hall, District Sales Manager.

DRH:ay

[fol. 6349] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D1

BOSTON, MASS.

August 19, 1952.

Personal

Mr. A. E. Smith
General Commercial Manager

Re: Aero Competition—Boston, Mass.

Mr. Chase of the Automatic Fire Alarm Company in Boston has called asking what we knew about the activity of the Atmo Company in this district. He was informed of the situation which we have in New Haven and also the various attempts to extend their direct-connected services into other services, particularly in the State of Connecticut.

Mr. Chase advised me that they bid on a job for protection in the South Station in competition with the Atmo Company and the job has been awarded by the N.Y.N.H. & Hartford Railroad to the Atmo Company. Mr. Chase further advised that a Mr. Swanson of the Atmo Company and Chief Heinz of New Haven came to Boston, and, with an official of the N.Y.N.H. & Hartford Railroad visited Fire Commissioner Michael Kelleher and obtained permission

from him for connection into the Boston Fire Alarm Headquarters. This is an unusual departure in a city the size of Boston.

Mr. Chase and Mr. Traverse of the Automatic Fire Alarm Company visited Commissioner Kelleher and was informed that the N.Y.N.H. & Hartford Railroad was a very large taxpayer in the City of Boston and if any other large taxpayer visited him with a similar request, he would give it every consideration.

I am now awaiting a report from Mr. Bugbee at New Haven as to what he can find out by a friendly call on Chief Heinz and also the authorities of the N.Y.N.H. & Hartford Railroad and will advise you further as soon as Mr. Bugbee's report is received.

It is my understanding that Mr. Drew of the A.F.A. Company is fully conversant with the action taken by his local office in this matter.

WWW, Commercial Superintendent.

ASC:y

As information A. E. Smith 8/21

Does it mean we don't do anything I'll be glad to help. A.A. XXX 8/22

Will await your instructions before taking further action. 8/22 T.Y. (Handwritten)

[fol. 6350] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D11

CINCINNATI, OHIO

December 7, 1962.

Reply to Letter of:

Mr. W. C. Martin
District Sales Manager

Re: The John Shillito Company, Cincinnati, Ohio

Prior correspondence initiated in April 1961 by Sales Representatives Balestrino and Gates indicated that subject company had purchased a Minneapolis-Honeywell proprietary console. At that time, it was indicated that Craig Clark, Security Director for The John Shillito Company, intended to operate his own Central Station Protective Signalling Service out of the down-town Shillito store. At that time, Ademco contacts were installed on the doors protected by ADT and the system cut into service. The ADT Central Station Burglar Alarm Service was continued to the expiration date of the burglar alarm agreements. These agreements expired in October of this year.

In our discussions with Mr. Clark regarding the renewal of various service agreements, we were advised that he had indicated to ADT in 1961 that the burglar alarm services would not be renewed for the down-town stores inasmuch as he had replaced this requirement with the proprietary system. In discussing Mr. Clark's future plans regarding the scope of his proprietary operation, we gather that he intends to continue with sprinkler supervisory service from outside alarm companies but intends to maintain his own burglar alarm systems.

We are currently in the process of developing a master agreement which will cover all of the existing ADT services with The John Shillito Company in Cincinnati. This master agreement and its Riders will cover sprinkler supervision, industrial supervision, night watch and burglar alarm service in one instance. We do have a burglar alarm service at one of the outlying outlets which had until 1965 to run.

Mr. Clark did not indicate whether he intends to incorporate this requirement into his proprietary burglar alarm system at the expiration date of our agreement.

The suburban stores, that is Tri-County Shopping Center, which are situated on the outskirts of Cincinnati, of course, cannot be incorporated into the proprietary system and undoubtedly we will retain the burglar alarm service here.

[fol. 6351] A new surburban outlet is on the drawing boards. Mr. Schaft has been in the process of preparing data which will enable us to make a quotation.

We find Mr. Clark to be cordial but extremely difficult when it comes to trying to discover the intricacies of his mind when it comes to protection requirements and competition, mainly The Potter Electric Signaling Co.

W. A. Clark, Sales Representative.

WAC:hh

12/10/62

Howard—For your information per our conversation WCM. (Handwritten)

[fol. 6352] In United States District Court

Defendants' Exhibit D15

August 1, 1961.

Mr. L. J. O'Brien
General Sales Manager

Julius Kessler Distilling Co., Calvert Distilling Co.
Jeffersonville, Indiana (Louisville)

For your information I am attaching a plant estimate covering the installation of 345 units of Sprinkler Supervisory & Waterflow Alarm service and 24 units of Night Watch & Fire Alarm service for the above location. This estimate covers an ADT maintained and owned system which shall be connected to our Central Station in Louisville.

Background:

The above company has purchased 24 warehouses from the U. S. Quartermaster Depot. At the present time a combination Gamewell Waterflow and Manual Fire Alarm system is installed at these warehouses. As these are dry systems, the air pressure is presently connected to local gongs. At the present time the gates and post indicator valves, etc., are not supervised.

The United States Government is presently supplying watchman service for these warehouses which shall be terminated January, 1962. This is a competitive situation with Minneapolis-Honeywell and Gamewell actively bidding for protection for this location on a Direct Connected Proprietary basis.

Pricing:

The attached plant estimate for Sprinkler Supervisory & Waterflow service and Night Watch & Fire Alarm service charge is as follows:

$86,980.00—Installation
20,929.00—Annual

The book cost for this installation of Sprinkler Supervisory & Waterflow and Night Watch & Fire Alarm service is as follows:

$48,495.00

Recommendation:

In order to obtain this valuable contract, I recommend quoting an installation cost of $48,495.00 which is the book cost for this installation.

[fol. 6353] I also recommend quoting an annual service charge of $14,650.00 which is 70% of our standard Central Station annual service charge.

Reason:

It is necessary to adjust the prices for this large proposal due to very active participation of Minneapolis-Honeywell and Gamewell Company. From these negotiations, there

has been indications that serious consideration is being given to connecting the present system to a local recorder with Waterflow signals being directly connected to the Jeffersonville Fire Department.

In this particular negotiation, we shall also be competing with physical Watchman Patrols because of the high cost for Central Station Sprinkler Supervisory & Waterflow and Night Watch & Fire Alarm service. This subscriber would have to spend approximately $25,000 a year for our service. As you realize, this prospect could hire a substantial watchman force for this amount.

Conclusion:

To be competitive on this job, I recommend quoting the following costs:

$48,495.00—Installation (book rate)
14,650.00—Annual (70% of standard)

Kindly grant permission for this request, so the cost may be submitted as soon as possible.

Frank J. Concannon, Executive Accounts Representative.

ES

[fol. 6354] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D18-1

LANSING, MICHIGAN

February 2, 1961.

Mr. J. K. Swanson
District Sales Manager
Detroit, Michigan

Re: Jacobsen's Jackson, Michigan

In accordance with your telephone conversation with me some time ago, I called on Mr. Keith Houck of Jacobsen's. Mr. Houck wanted to run over the protection to be installed

at the new downtown store. It is my understanding that Mr. Crichton has already signed the contract with them on this new building. However, we have no information in this office as to what is to be installed nor how the rate makeup was shown. According to Mr. Houck it will be necessary to contact at the present, 11 doors to be set upon 1 control covering two buildings. There will be a future installation of one or two doors on a separate alarm to cover the proposed beauty salon. At the time the beauty salon alarm is installed, it will also be necessary to include on that supplement additional doors on the main store alarm.

The above is routine handling. However, I received rather disconcerting information when in conference with Mr. Houck yesterday, to the effect that there is a complete Minneapolis-Honeywell automatic fire detection system specified by the architect to be installed by the electrical contractor, to be annunciated in the office of the store with an auxiliary connection to either ADT Central Station or Jackson City Fire Department. The cost to approximate $5,000.

I advised Mr. Houck, Mr. Russ Fowler of Jacobsen's and Mr. Brown the electrical contractor that ADT was not interested in making connections to its system of competitive equipment.

Mr. Fowler agreed with me in this respect as did Mr. Houck and both advised the electrical contractor that ADT was in the business of supplying similar equipment and that before the Minneapolis-Honeywell system would be approved, they would submit plans to us for quotation. The proposed system by our competitor is to have each area, including the show windows, annunciate at the master [fol. 6355] control panel. According to the contractor, there are 40 such areas.

I did not complete my interview with Jacobsen's until it was too late to contact the Fire Chief to determine whether Direct Connect would be permitted. However, it is my understanding from discussions with local ADT people at Jackson that such connection will be permitted; and I was further advised by Jacobsen's that this system is being installed only because of direct order of the City of Jackson Fire Department.

At the moment, I have no idea of the number of circuits

we would require in this building. However, I would guess that it would run 10 to 12 minimum.

I will keep you fully appraised of this situation and would suggest that, when it is time to quote on this matter, it will be necessary for us to take a long, hard look at prices prior to submission to the customer.

R. L. Beckwith, Sales Representative.

RLB:jw

[fol. 6356] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D18-2

December 26, 1960.

Mr. L. J. O'Brien
General Sales Manager

American Hard Rubber Co., Div. of Amerace Corp.,
Seiberling & E. Market Streets, Box #510
Akron, Ohio

You will recall several weeks ago, I wrote you a brief summary on Allis Chalmers in Milwaukee, which pointed up the competition which we have on that job from both proprietary and central station companies.

You will be interested, I know, in a very brief report on an unfavorable competitive turn in connection with American Hard Rubber in Akron. For the past several months, we have been negotiating SS&WF and AFA services with an advance of $13,368.00 and an annual of $6,979.00. We felt certain that this job would be closed before the end of the business year, 1960.

To assist in the closing of this business, I have been dealing with a Vice President of American Hard Rubber, located here in the New York area. On December 13, I called this Vice President again, hoping that this job could be brought to an early conclusion and at that time, he informed me that we were practically out of the picture since our proposal did not seem economically feasible and they were considering seriously a proposal by Minneapolis

Honeywell. I sent this information immediately to Mr. Jacks, so that we could attempt to combat this Honeywell competition and so far as I know, no final decision has yet been made either way.

This sort of thing is becoming increasingly more prevalent, that is, severe competition in central station cities where we are the only approved central station. There are so many aspects to the electric protection field, that having the only approved central station in a city like Akron is far from giving us a handout of all of the protection business in the city.

Ray Brechbill, Assistant to General Sales Manager.

rmh

Original to M. MacDonald.

[fol. 6357] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D20

NEW YORK

August 31, 1960.

Confidential

District Sales Managers and Representatives

Competition; Minneapolis-Honeywell Company

Although we are only in preliminary stages of analyzing the markets being solicited, sales policies and methods being employed, pricing and general activity of the above, we do know certain facts which all members of the Sales Department should possess.

As far as we can observe to date, M-H is quite willing to undertake negotiations with any prospective user of protective signalling systems or services. However, the principal competition we have experienced to date has concerned the larger industrial and commercial establishments to whom they have sold control equipment for the past several years, and where the advantages of a proprietary system appear

most likely to appeal. Apparently, the limited sales effort available for this phase of their over-all activities warrants application where the prospects of a sale appear most likely or the prestige to be derived most advantageous. Every reasonable effort should therefore be exerted to detect their activities with this particular class of prospect—or ADT subscriber.

It is also evident that their initial sales approach, while not unique, is ingenious. Lacking special experience in the field of electric protective systems, basic security principles and techniques, and presumably enjoying only a minimum of recognition by the insurance interests, they are approaching their prospects as an old-time supplier of "control equipment" and attempting to minimize the special nature of our field by stating that it is simply another application of electric or electronic controls, a field in which they have no equal. Their size, financial responsibility, effective sales and maintenance organizations, as well as their 75 years in business, make their claims quite believable to their prospects. They let it be known that they are not competing for BA and FA systems, but merely for the extension of their control equipment and the establishment of a surveillance center. However, the net result is M-H acquisition of an order for a protective signalling system, sometimes without any competition from organizations, such as ours, which specialize in protection services.

M-H is also stressing in its sales presentations the philosophy that modern equipment, plus a minimum human security force, is the best way to make a plant safe. They are recommending the installation of closed circuit TV equipment, listening devices and other "aids" which they claim will reduce the safe and effective operation of a large proprietary system to the supervision and control of one lone attendant at a proprietary console. They overlook not only the need for intelligent action by a responsible guard in case of emergency, but the human limitations of a single operator responsible for the security of extensive plant values. All of you know the answer to this one. Implicitly, they also infer that an M-H proprietary system, with a one-man supervisor at the plant, is the modern way—not the use of central station services, or recognized proprie-

tary systems with normal complements of proprietary guards.

[fol. 6358] We feel that the foregoing observations may well assist you in identifying the activities of this competitor, pending the development of additional data which will be distributed as soon as it can be obtained and confirmed as accurate.

Please continue to furnish us with all information coming to your attention concerning the activities of M-H. The more information we can obtain, the better we can assist you in meeting this competitive threat.

L. J. O'Brien, General Sales Manager.

ph

[fol. 6359] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D21

January 20, 1959.

cc: Mr. A. E. Smith, Mr. King Young, Mr. E. Turnbull:

Mr. J. A. MacDonald
First Vice President

Minneapolis-Honeywell Regulator Company
Minneapolis, Minnesota

You will recall my letters of August 26 and 28, having to do with NFPA advertising of the activities of the subject company, and the apprehension which I expressed relating to their apparent progress in the field of protective signaling. Subsequently I had occasion to review the file which Mr. King Young had compiled following his visit to Minneapolis-Honeywell last fall. He expected Mr. Sanders, Product Manager, to visit our offices here recently, but that visit fell through. On the way to Seattle in connection with the Minuteman project, Mr. Young made arrangements for us to visit the Honeywell plant on January 13, to see the Data Center display, and the Panel Division where the

units are manufactured. We were met by their Mr. W. B. Barnard, head of the Application Engineering Division, at their main plant, and after the demonstration of the Data Center (described in detail in the competitive file), were taken to the Panel Division and given a tour of the plant by Mr. Roger Goodwin, Chief Engineer.

The Data Center display is a remote control console from which all functions of a plant's protection can be controlled and recorded. Activity such as heating, refrigeration, boiler pressure, temperatures, pumping pressures and the like, can be examined remotely by servomechanism actuation and then corrective measures applied, if necessary. In essence then, a plant engineer can virtually control the environmental factors of a whole building including its individual offices, auditoria, and so forth. Such a large and impressive installation was seen by the undersigned in Houston, Texas, in 1957, when he inspected ADT vault protection at the Bank of the Southwest.

The development and promotion of these "Data Centers" may not in themselves be serious, or a threat to ADT, but when fire and burglar alarm service is added, it falls right into our proprietary service function and indeed may rob us of possible Central Station business.

In effect, this is just what Minneapolis-Honeywell is preparing to do and it may be significant to note that their current slogan, conspicuously posted throughout their building, is "Beat our competition."

[fol. 6360] As you know, they have recently acquired the American Sentry Corporation of Philadelphia along with its owner, Dr. Jenkins, and now propose to develop themselves, a complete line of burglar alarm and intrusion detection equipment. Specifically, they plan to design their own ultrasonic, capacity, photoelectric and other space protection equipment, and already have a means of providing straight burglar alarm components such as microswitches, etc. Thus they hope soon to be able to offer architects-and-engineers, and electrical contractors, completely packaged units of protection.

This arrangement will, of course, lack the Central Station feature of service during unoccupied hours, but the Minneapolis-Honeywell people believe that the accommodation of the burglar alarm and fire alarm service by the Data Center

will justify an operator's presence and will then provide all the protection a prospect needs.

The matter of Underwriters' Laboratories' approval, both in the fire alarm and burglar alarm fields, is considered as being somewhat passé and unrealistic, so that their present approach is one of providing a comprehensive protection system without necessarily enjoying approval benefits.

ADT has historically adhered to the need for Underwriters' approval for Central Station services. Yet here, as with the Southdale system (described in a concurrent memorandum), the Laboratories and insurance interests are taking a back seat. Hence, it would appear that ADT must be flexible enough to provide this new type of subscriber-operated protection service, using where possible, the Central Station for supervision and back-up.

The Southdale situation is astonishing, considering that ADT could have done the whole job better with our standard devices and systems. I think it is imperative that we take a keen and exhaustive look at this potentially dangerous growth of locally operated protection functions, such as are planned by Minneapolis-Honeywell, lest our Central Station business be jeopardized.

M. H. A. Lindsay, Chief Engineer.

dg

[fol. 6361] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D22

HARTFORD, CONNECTICUT

August 16, 1960.

Mr. J. B. Bodley
Assistant to General
Sales Manager
New York, New York

Re: Travelers Broadcast House Constitution Plaza
Hartford, Connecticut

I have been negotiating for several weeks with the Travelers Insurance Company for the use of our services for the Travelers Broadcast House which is being built on Constitution Plaza in Hartford, Connecticut.

When the plans were first formulated for the construction of this building, I contacted Mr. William Clemens who is head of Plant Security for the Travelers. He is the person who I must work thru in connection with any of our service negotiations. He advised me that an appointment would have to be set up with Mr. Morency, President of the Travelers Broadcasting Service. After several attempts to personally sit down with Mr. Morency to talk about the protection requirements for this building, I was told by Mr. Clemens that Mr. Morency had advised him that ADT services were not being considered. They were using some controls in the TV and radio broadcasting area and that they were being installed by Minneapolis-Honeywell.

This closed out the matter of ADT services until a few days ago when I was in the Travelers on a routine visit to Mr. Clemens' office, and inquired again about the use of our services in the broadcasting building, and was told that he had just received word that they had contracted for Automatic Fire Alarm and Burglar Alarm Services complete for the entire broadcasting building with the Minneapolis-Honeywell Company connected directly to a central control panel in the broadcasting building. This control panel or console which also contains all controls for radio and TV operations is manned 24 hours a day.

They also indicated that connections to this control panel would also be available to the tenants of Constitution Plaza and could spread to other Travelers Insurance buildings where we now render Central Station Service.

We were not at anytime given an opportunity to submit a bid for Central Office or a proprietary system in connection with this building. The entire matter was negotiated with Minneapolis-Honeywell before advising us that our services would not be required.

As you know, we have complete Aero Automatic Fire Alarm Services in all of the main group of buildings of the Travelers Insurance Company. We also have Sprinkler Supervisory and Waterflow Alarm Services in two of their buildings, and a Burglar Alarm system on all of the exterior doors of the main group which includes 700 and 740 Main, 20, 38 and 52 Prospect and 26 Grove Streets, and 17 Central Row which are connected directly into our Central Station.

Information has been passed on to me recently that there has been some discussion with respect to the costs of our service and also the increases which have taken place over the past fifteen years. These discussions have centered mostly in the Methods and Planning Department who sets the policy of the operations of the Buildings Department.

This is briefly what has taken place with respect to my negotiations for service in the new building, and if there is any further information which you may require I shall be very happy to get it for you.

N. R. Brady, Sales Representative.

cc: Mr. R. T. Warner, Dist. Sales Mgr., Boston, Mass.

Mr. A. E. Smith.

For your information JB 8/19 (Handwritten).

[fol. 6362] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D24

July 8, 1960.

Confidential

Mr. R. Brechbill
Mr. L. B. Straus
Mr. J. O. Maxey
Mr. J. Caffrey
Mr. F. Carr
Mr. E. Kender
Mr. H. B. Schultz
Mr. A. Gaston
Mr. F. J. Concannon
Mr. T. I. Young

Competition—Minneapolis-Honeywell Company

Concerning Mr. O'Brien's letter of July 5, I believe both of us will find the following helpful in the procurement of information and preparation of the reports mentioned in his letter.

1. Although we understand that M-H are currently applying their limited sales efforts to the solicitation of business from their suppliers, customers, those answering advertisements and a limited number of large and well-known prospects, it is only reasonable to assume that they would welcome business from any source able to pay for their installations—including our subscribers. We would therefore appreciate your comments from time to time as to who they are contacting since it may enable better application of our defenses.

2. We are also interested in just what is being offered in each case coming to your attention. Basically they offer a complete proprietary system, a catalog covering which we hope to have in your hands soon, but understand that if only limited protective signalling services are wanted for either direct-connected or local purposes, they are quite willing to supply such requirements. Information of this area of their operations can be most useful.

3. So far M-H seem to have encountered little difficulty in obtaining convenient and useful "insurance approvals,"

pertaining either to rates or the substitution of their equipment for Watchman's Service, whether or not the devices or systems employed have been previously approved by the insurance authorities having jurisdiction. Essential details pertaining to such approvals in each case will be very valuable. Also information pertaining to the acceptance of their equipment by fire, police and public safety officials where direct connections are involved.

4. Obviously, we are also interested in as much accurate information concerning their quotations and the specifications on which they are based as it is possible to obtain and will anticipate such being furnished as completely as practical in each report covering competitive negotiations.

[fol. 6363] 5. Although M-H have indicated their intentions to exploit primarily the proprietary, direct-connected and local protective signalling fields, rumors have been received of overtures made by them indicating a desire to get into the central station area of operation. Please let us hear promptly any rumors relating to such an interest.

6. We are also reliably informed that they are co-operating closely with other interests operating in the mercantile and industrial security fields such as; Burns Detective Agency, etc. The identity of those with whom they are co-operating at any time is always most interesting. We would appreciate any information coming to your attention dealing with this area of their operations.

7. Present instructions require the preparation of a competition report 701 irrespective of whether ADT or a competitor receive contracts in any particular competitive negotiation. Please remind those concerned that these instructions are to be carefully followed in connection with this matter since frequently those covering unsuccessful negotiations are even more revealing than those purposing to support contracts obtained under competitive conditions.

Briefly, we are anxious to learn as much as we can in all of the areas mentioned in this connection. Even minor details are sometimes most valuable as a contribution to the over-all picture. Your co-operation in this matter should be most helpful to all of us.

J. B. Bodley, Assistant to General Sales Manager.

rmh

[fol. 6364] IN UNITED STATES DISTRICT COURT

DEFENDANT'S EXHIBIT D26

CINCINNATI, OHIO

April 29, 1960.

Mr. H. B. Schultz
Senior Representative Executive Accounts
New York, New York

Re: Tri-County Shopping Center, Shillito's Federated Department Store

I talked with Mr. Jamison, Superintendent Shillito's this past week concerning proposal for the subject location and he has turned our proposal, together with the Walnut Hills proposal, over to Mr. Craig Clark the head of their security protection for his study and recommendation. I called on Mr. Clark and had a long discussion. He favors ADT even though our price is slightly higher than WHDT.

Mr. Clark is also making a study of a proposal from Minneapolis-Honeywell which he stated could not be immediately applied to their properties; however, he is recommending that they go with ADT for the Tri-County store for one year and, in the meantime, he will collect all the necessary data for installing MH equipment in each of six locations monitorred in their main store.

He is not dissatisfied with Central Station service; however, he feels that additional guards are necessary in each location and will attempt to sell the Minneapolis-Honeywell system and additional guards to management. He stated it would mean adding a patrolman visiting each location twice each night plus a man to monitor the system, and the installation of two-way radio. Their proposal from MH provides for a cost of $6,000 for each location or $36,000 for the six locations.

In my opinion, he will have a very difficult time selling his idea to management since it will mean adding a great deal of expense over Central Station service.

Mr. Jamison would not commit himself on this. He stated that he would contact me in the very near future and go out

to the new store and finalize his thinking for show window protection.

If you have any information concerning MH equipment, I would appreciate having same to combat this type competition. We shall keep you informed of any developments.

A. S. Jacks, District Sales Manager.

ASJ/DMG/rp

[fol. 6365] In United States District Court

Defendants' Exhibit D27

New York

February 3, 1960.

Mr. J. A. MacDonald
First Vice President

Minneapolis-Honeywell Regulator Company and Competition in General

Thank you for your letter of December 31, 1959. We have never doubted that Management is keeping abreast of the competitive situation and giving it the necessary, serious consideration. Our previous letters were intended to convey information which in one way or another had come to our attention and which we hoped would be of service to you in studying the over-all picture.

We are most gratified to have your assurance that we may develop appropriate equipment to meet competition. In this connection we appreciate the inherent responsibility, and the necessity of determining in which direction our efforts should be channeled. While we always have wished to be in a position to meet any and all competition, we know that first efforts must be placed on those systems which will meet the most frequent or, in the end, largest economic threat to the business. To some extent this, presently, is an indeterminate factor. Some competitive systems and equipment are established and known to us. Others, such as Minneapolis-Honeywell, are not yet at that stage. Also, many specifications contain variations and "gimmicks", cal-

culated to work to the disadvantage of competitors. These require analysis as to their repetitive or transitory nature.

All of this implies that a coordinated plan of attack is necessary. There has been no lack of cooperation between the Special Sales Division and the Engineering Department, but almost invariably this has been on a job-to-job basis, each problem being resolved as it came along.

Some of the points requiring consideration and implementation are:

Tabulation of competitive features,
Analysis of which phases are repetitive,
Relative impact of different types of competition,
Conclusions, as far as possible, as to trends.

[fol. 6366] All of these might be classed as Market Analysis. However, what we mean by a coordinated plan, is to make this analysis in conjunction with consideration of the technical aspects, without which satisfactory conclusions cannot be drawn. A committee—even as small as one representative each from the Sales and Engineering Departments—should be able to draw up an illuminating report, by working together.

Up to now, for our part, progress has been made in provision of equipment for competitive use. Much valuable work has been done by Mr. Warshaw's group in standardizing upon a number of unit panels and subassemblies, which can be assembled in a number of ways to meet a variety of competitive specifications—Gamewell, Notifier, Central Station Signals, Acme, etc. The line is not complete and Minneapolis-Honeywell is too new to evaluate.

While some factors are indeterminable, there would seem to be no question that we have been and continue to be handicapped by not having a Positive-Noninterfering (PNI) system. This subject has been a matter of concern to all of us, and one involving our serious consideration.

As noted in the last paragraph of Mr. Edwards' November 9 memorandum to me (copy attached to my November 20 letter to you), it appears that we soon will have something to offer. The suggested system looks like a promising answer to our (PNI) problem. The idea is based upon modifying our standard manual boxes and automatic trans-

mitters, rather than on the design and production of a completely new line of equipment.

The plan should have economic as well as technical superiority over competitive PNI systems, also the advantage of simplicity.

A model of the proposed system, using manual boxes, has been successfully completed and given intense review by our Engineering staff. To obtain an opinion of the value of such a system, it was demonstrated to Mr. Maxey and a number of his associates, including Messrs. Kaiser and Capshaw from Washington who happened to be in town, as well as to Mr. O'Brien's staff assistants.

We think that all of these men believe we have an answer to a long-felt need and one capable of meeting current competition.

[fol. 6367] Automatic transmitters are susceptible to the same modification as the manual boxes. It remains for us to determine the best means to accomplish this without undue expense. Presently, the problem is being resolved and when we have completed this work we would like very much to arrange a demonstration for you and others of the Executive Office.

Further in regard to the PNI competitive situation, Mr. Ruth, Chief Engineer of the Gamewell Company, has told Mr. Edwards that they (Gamewell) are increasingly making shunt-type Proprietary equipment, but on the other hand, that they believe the addition of Autocall-type PNI equipment is necessary to meet competition.

Just last week, Mr. Ray of Minneapolis-Honeywell told Mr. Edwards that they (M-H) had decided it was necessary to have both SNI and PNI equipment to meet competition. (They recently bid on two (?) PNI jobs. Said there were only two bidders and that they were surprised that ADT did not bid.)

So, perhaps other companies are wrestling with the same problem as we ourselves. It remains to be noted which type of equipment becomes most in demand. However, this well could be resolved by which company is the most aggressive.

Inasmuch as the Sales Department is primarily concerned with the problem of aggressively meeting competition, I am attaching a copy of this letter for your transmittal to Mr. O'Brien, if you wish. We solicit his appointment of a rep-

resentative to work with us in assessing the situation, so that we may quickly decide upon a comprehensive line of protective signaling equipment for Proprietary and government sales.

M. H. A. Lindsay, Chief Engineer.

dg

Attach.

(308)

IN THE UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D28

4491

COMPETITION REPORT

REPORT NO. ____

Nov. 20, 1962 CENTRAL STATION CITY NEWARK, N. J.

PECT'S NAME BAILEY-WHALEN COMPANY

PECT'S ADDRESS 20 Standish Place, West Orange, New Jersey

E OF SERVICE AFA-011, SSW7-051 NO. OF UNITS 88-7 - AFA-8

LOST YES JOB SECURED NO

E OF COMPETITOR KIDDE ATMO

ADT STANDARD CHARGES

	ANNUAL SERVICE CHARGE	ADVANCE SERVICE CHARGE
SS	$ 715.00	$ 1050.00
AFA	725.00	1950.00
	$1440.00	$3000.00

ADT QUOTATION

ANNUAL SERVICE CHARGE	ADVANCE SERVICE CHARGE
77.50	$ 1360.00

COMPETITOR'S QUOTATION

ANNUAL SERVICE CHARGE	ADVANCE SERVICE CHARGE
$120. quarterly inspection $180. monthly inspection	$ 2,600.00

OXIMATE SALES PRODUCTION HOURS CONSUMED 30

REMARKS

pect is insuring the newwarehouse which is sprinklered in the ciated Factory Mutuals and is installing Kidde-Atmo Automatic Alarm in the old building which will be insured under Pennsylvania ermen's Mutual. According to prospect West Orange Fire Department greed to provide supervision on the dry alarm valve and the two -off valves in addition to the waterflow alarm. The annual service e was to be either $120.00 if quarterly inspection was furnished $180.00 if monthly inspection was furnished.

prospect definitely bought on price figuring that since the Factory al and Pennsylvania Lumberman's Mutual approved the Direct-Connected m as well as ADT Central Station. The prospect figured that over ried of years they would be ahead.

A. F. Clunan

SALES REPRESENTATIVE

DISTRICT SALES MANAGER

[fol. 6369] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D30

NEW YORK

August 9, 1961.

File

cc: Mr. J. A. MacDonald

Mr. L. J. O'Brien
General Sales Manager

Attention: Mr. J. O. Maxey, Manager Government & Special Sales

New C. I. A. Headquarters Washington, D. C. Area

I learned over the weekend from Mr. Paul Eberhardt, Vice President of the Kidde Ultrasonic & Detection Alarms Division, that they obtained a contract for at least the security protection for the subject installation. I understand that some 130 ultrasonic control units are involved and that the door protection is to be supplied partly through newly designed magnetic contacts somewhat similar to 4027 High Security Contact, except that in the Kidde design one of the magnets is adjustable from the outside in such a way as to provide a certain degree of vibration sensitivity, as would be obtained with a 4020 Vibration Type Contact, in accordance with the desires of the customer.

The Kidde Company is presently designing and assembling the console and I was lead to believe that the control circuits are to be mainly of the solid-state type to enhance reliability and to facilitate operation in the event of power outages.

An invitation was extended to see this equipment later in the Fall prior to the time when it is to be shipped to the job.

Mr. Eberhardt's division of Walter Kidde is aggressively active in obtaining local or proprietary protection contacts for burglar and automatic fire alarm service, and their staff makes no bones about pointing out warehouses and build-

ings that they have successfully protected in competition with ADT Central Station service.

M. H. A. Lindsay, Chief Engineer.

dg

Mr. O'Brien

This is an interesting competitive development—have taken the liberty of sending copy to Messrs. Kaiser & Robinson—J.O.M. 8/10 (Handwritten)

[fol. 6370] UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D32

June 13, 1960.

Mr. L. J. O'Brien
General Sales Manager

Attn: Mr. T. I. Young, Manager Sales Administration

L. Bamberger & Company Market and Halsey Streets
Newark, New Jersey

In reply to your memo of June 7, 1960 questioning the acceptance of the renewal of the attached contract at substandard rates, explanation is as follows: Bamberger Company received a quotation from Walter Kidde Company for a complete proprietary system in the amount of $38,000. The service proposal from Newark District Telegraph was $7,000 per year.

Bamberger refused to pay any increase for ADT service and felt that by accepting the Walter Kidde or NDT proposal, there would be a considerable saving after a five-year period.

Alex Gaston, Executive Accounts Representative.

AG/aem

Attach.

[fol. 6371] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D33

TRENTON, NEW JERSEY

January 26, 1960.

File

Mr. J. B. Bodley
Asst. Gen'l Sales Mgr.

Mr. W. J. Doyle
District Sales Manager
New York, New York

Re: Competition

Confirming our recent conversation the following few remarks are for the record.

We are in competition with the following local alarm companies.

Instantainous Burglar Alarm Company—does not solicit but will respond to a request for service. In all instances where I find that I cannot provide service I suggest this Company.

Active Burglarm Company—actively solicits business advertising his service as Central Monitored, provides local alrm—telephone answering service alarms and is attempting to secure permission for direct connections in the various Townships. So far he has been un-successful.

Kidde-Atmo & N. J. Fire Alarm Companies—with the exception of one job (N. J. Mfg. Insurance Co.) in Trenton, most of their activity has been in the Townships and Princeton area on a direct connect basis. The City of Trenton has refused these people direct connections as you know. The one job mentioned above is connected to a City street box. The activity of these companies above mentioned is is confined primarily to Trenton and north of Trenton as these companies are located in New Jersey.

We are now confronted with two Phila. Co.'s who are actively soliciting business in our area south of Trenton. For what its worth I have been advised by our Phila. asso-

ciates that these competitors would like to move into Trenton.

You were recently advised by a form 408 that we have lost the Levittown Pa. location of the Penn Fruit Co., said location went to Robinson Electronic Supervisory Co. of Phila. We also lost to the Sentinal Alarm Co. a BA job at the Bristol, Pa. location of the Thiokol Co. The Thiokol [fol. 6372] Co. as you know, are our Subscribers to Night Watch and Fire Alarm here in Trenton and are further prospects for SSWF, AFA and BA. The solicitation here has spanned several years and we have been attempting to learn what effects the loss of the Bristol job will have on our local contacts.

We have just submitted our proposal for BA service in competition with Sentinal to the Mort Company, Penndel, Pa. Knowing of the competition we reduced our rates and stressed our service in the proposal, and anticipate favorable results. It is interesting to note that this plant is of good size and is sprinkled.

It appears to me that our competitors are getting stronger and are attempting to spread out in this growing Delaware Valley area. I will exert every means to forestall their gains recognizing the advantages both to our Company and myself in doing so. I am sure that I have your cooperation and backing in my efforts. It is understood that I will keep you advised of any new developments.

F. D. Shadell, Sales Representative.

FDS:mo

[fol. 6373] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D36

MIAMI, FLA.

January 31, 1956.

Mr. E. O. Betscher
District Sales Manager

K. B. Brammer Co., distributor of Spurling Alarm Fire Systems and Walter Kidde Burglary Systems
Miami, Florida

I have just confirmed the fact that Spurling Alarm is now hooking up waterflow alarm to the Southern Bell Telephone switchboard at the Miami Fire Department alarm office. This in effect puts us in competition with three organizations combined:

1. Spurling Alarm Company sells their equipment outright to any and all prospects. Their selling price is generally about the same as our advance service charge. Spurling then arranges for a lease line to the Fire Department alarm center and has telephone company bill subscriber monthly for this charge.
2. Southern Bell Telephone hooks Spurling equipment to the master switchboard (which is telephone equipment) at Miami Fire Department alarm headquarters. All line supervision is on a separate panel mounted adjacent to master switchboard. Bell Telephone is responsible for all maintenance up to subscribers' premises.
3. Miami Police Department have three men on duty in this alarm office. They watch and report all alarms to fire stations and also watch line supervision panel in case of any line trouble. This same panel which is used for reporting fire alarms can also work with burglary systems.

The final conclusion is—

Spurling installs and maintains transmitting equipment.
Telephone Company installs and maintains receiving equipment.
City of Miami furnishes men to operate receiving equipment—(the latter two at taxpayer's expense)

[fol. 6374] Please be advised that the purpose of this letter is to put you on notice as to the existing situation here in Miami. I have just talked to Mr. Bodley in New York and am sending him a copy to confirm any information I may have given him by phone.

Please advise if we may be of any further service to you concerning this matter.

(Sgd. J. R. Hough, Sales Representative.

LW

P.S. Burdine's Department Store has just built a new warehouse and administration building, which will be the first hookup on the above setup. We had them at two previous warehouse locations for Aero and Waterflow but Burdine's chose Spurling for new location. I am charging 25% equity as per E. J. Heisley.

CC: Mr. J. J. Stephens, Mr. J. B. Bodley.

[fol. 6375] In United States District Court

Defendants' Exhibit D40

New York

January 14, 1954.

Mr. A. E. Smith,
General Commercial Manager

Atmo Competition

The Atmo people in Jersey have informed friends of mine that they are looking forward to receiving quite a few orders from [supermarkets Rogers—Hampton not interested—] the First National Stores of Boston. This company is one of our Boston accounts, and at one time Atmo sold them an installation at Bridgeport.

A. W. Sullivan, Executive Representative.

AWS:HJS

New Haven
Bridgeport
Stamford
Boston—Mfg—NW 5S&WT, BA
Portland, Me.
Providence
Hartford—15000 yr

L. J. O.

I talked with Cook about this possibility and he is to rept on it—Pls trail him for reply A.G.E. 1/20 (Handwritten)

[fol. 6376] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D41

April 2, 1953.

Mr. Smith

Mr. R. M. Pineo
Operating Superintendent

Atmo Fire Alarm Co., Bridgeport, Conn.

We are in receipt of your letter of March 30 advising that the city of Bridgeport has approved the installation of a switchboard in the fire department for the purpose of operating direct automatic fire alarm service. We are very much disturbed by this development and especially so since it was placed before the fire commissioners and approved without any knowledge on our part of what was transpiring. This situation emphasizes the importance of close and friendly relations with fire chiefs and fire alarm superintendents as well as police chiefs.

If our contacts with the fire department at Bridgeport were on a proper basis it is likely that we would have been successful in prevailing upon the present fire chief to take the same stand that his predecessor did in opposing connections of this kind. Having been successful in Bridgeport, it is likely that the Atmo Co. will extend their activities to the other cities in your district and it is necessary that we

take steps to see that their efforts in this direction are not successful. I am sending you under separate cover material that might be used in your conversations with fire chiefs and fire alarm superintendents in combatting movements of this kind in the future. It will be well to bear in mind, however, that the prepared material will be most effective in those cities where our relations with the first department are on the most friendly basis.

General Superintendent, Operating Department.

[fol. 6377] In United States District Court

Defendants' Exhibit D42

New Haven, Conn.

May 27, 1953.

Mr. A. E. Smith
General Commercial Superintendent
New York, N. Y.

Atmo Competition—New Haven, Connecticut

We have obtained a current and interesting report that Atmo now has 50 alarms connected to their panel in fire headquarters. This appears to be an increase of 4 over our last report of November 18, 1950. One of the fire alarm operators stated that they have only added 1 alarm in the past year and that their activity in New Haven seems to be dying out.

The operator commented that on most alarms Atmo now charges $15.00 per quarter for maintenance only. The Fire Department tests all telephone circuits, or a city fireman, named Foley makes tests at the premises. He remarked that most of them are unhappy with the arrangement but do not see what they can do about it as long as Heinz is Chief. He did not have any information on the Chief's retirement plans.

We will continue to keep you up to date on any new developments in this matter.

R. M. Bugbee, Commercial Representative.

RMB/ab

CC: Mr. A. S. Cook.

[fols. 6378-6379] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D45

NEW YORK

October 22, 1952.

Mr. A. E. Smith,
General Commercial Manager

Automatic Fire Alarm Competition—State of New Jersey

In reply to your letter of October 17, 1952, we attach hereto report received from Commercial Representative Langille regarding our inability to secure contracts for the Harrison, N. J. schools. We were informed that the contracts covering this rate-of-rise fire alarm service had been secured by the New Jersey Fire Alarm Company.

As you will note from the attached report, this system will operate through city circuits. This method of operation is definitely not in accordance with our company's desires. It is possible that the Fire Chief at this location may have made some inquiry as to what we could do and decided not to call us in.

As indicated in Mr. Langille's report they claim that this request for bids was advertised in the local newspapers. This is very likely but perhaps it was very small and inconspicuous, just something sufficient to cover the law governing such required bids.

It is common knowledge through the length and breadth of New Jersey, that the ATMO, and the New Jersey Fire Alarm Companies' estimates are always far lower than ours. With this knowledge in their possession they may have considered contacting us a complete waste of time and effort.

W. J. Doyle, Commercial Superintendent.

WJD/eo

[fol. 6380] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D46

NEWARK, NEW JERSEY

October 14, 1952.

Mr. A. E. Smith G.C.M.

Mr. William J. Doyle
Commercial Superintendent
New York City

Re: Automatic Fire Alarm Competition—State of New Jersey

With reference to your letter of September 16, 1952, we have investigated the situation in Harrison and talked with Fire Chief Walter Tiute, who informed us that about a year ago he recommended to the Board of Education a system of protecting all schools in Harrison with an automatic fire alarm system.

The Board asked for estimates covering this and Chief Tiute claimed it was published in the local papers that bids were requested. This was not noticed by anyone in the Newark office and the Chief claims that he did not make any request to our competitors, though ATMO, New Jersey Fire Alarm and Protecto-Wire have all bid on this service on five schools, public and parochial, the system to be tied in to master boxes on city circuits.

The New Jersey Fire Alarm Company succeeded in security contracts covering the entire buildings, though the master boxes have not been installed and the systems are not completed according to the Chief. There will be no supervision or boards set up in the fire department. The systems would be entirely supervised locally by each principal, the alarms coming in over city circuits by master boxes.

There are two Atmo installations in the Town of Harrison, one at the Roman Catholic Church on Harrison Avenue and the other subscriber is Bosman & Casson, Inc., which come in through a small panel board in fire headquarters.

These two installations are supervised electrically in headquarters.

It is interesting to note that with our supposedly close contact through the Fire Chief's Association we are not contacted to bid on this type of public protection, particularly when the subject is brought up by the Fire Chief himself. No information could be obtained as yet as to the cost and maintenance charges of the systems installed in the schools.

The question is what precaution to take in order to be sure in the future if any of the local townships go in for similar protection, which they should, and how we can at least get a chance to bid on this type of protection.

Any instructions with regard to meeting this situation would be greatly appreciated.

F. H. Langille, Commercial Representative.

FHL:JU

In Duplicate.

[fol. 6381] In United States District Court

Defendants' Exhibit D51

September 2, 1954.

Memorandum for

Mr. King Young
Commercial Promotion Manager

Competition

With reference to the attached file which you wanted me to read, particularly relating to Naval Security approval (Mr. Lacy) of the systems involving the use of Owl certified local connected into a Central Station Signals' office:

Unfortunately, as far as Naval Security requirements go, the Defense Department Manual, which I believe is entitled "Safeguarding Classified Information," permits the use of either local systems or Central Station systems, with no greater value placed on one over the other. We have run into this same situation in the Washington District. The

Inspector of Naval Materiel, having jurisdiction over that area, works out of Baltimore. He has taken the Defense Department Manual literally, where other security officers, particularly in the Air Force, have disregarded the Manual realizing that Central Station services are far better than any local system.

I feel that our job still is convincing individuals like Mr. Lacy that Central Station service is much more valuable than local. So far an I can tell, this is the only way we will eventually be successful in ever having the Defense Department Manual changed. Capt. McCowan has said on a number of occasions that the Manual certainly was written by people knowing nothing about security, and the value of various types of systems available helping to make for better security. The more security people around the country who finally come to know the advantages of Central Station service, and express their confidence in such service, the sooner Defense Department requirements will begin to recognize such systems for their true value.

F. J. Kaiser, Special Representative

[fol. 6382] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D59

BRIDGEPORT, CONNECTICUT

April 8, 1959.

Mr. R. T. Warner
District Sales Manager

Re: The New Haven Board & Carton Co., 259 East Street
New Haven, Connecticut

Presently, there is in service at the above location 53 Units of SSWF Service at an annual service charge of $2024.00.

The Subscriber has requested that we provide him with an estimate for the installation of a local WF Alarm Annunciator System. The system is to consist of four (4)

twelve drop annunicators at various points throughout the plant.

The Plant Department has come up with an estimated installation figure of $2044.10 ($1639.50 of this figure is for material). The Subscriber is to furnish all necessary wire and conduit.

The system will consist of four annunicators, each with a separate bell and power supply. Our New York Engineering Office developed the system on the basis that when a waterflow occurs, the first annunciator in the series will trip, followed by the other three in succession.

With four separate twelve drop annunciators involved, according to our instructions relative to computation of sales units for pricing on the annual service charge, a unit count of twenty is indicated. Using this figure, an additional annual service charge of $1,000.00 should be quoted.

The Subscriber has informed me that he is getting quotations from equipment manufacturing concerns for the outright sale of the necessary equipment. During one of my initial discussions relative to the Subscriber's request, I mentioned a rough estimate of $700.00, as an additional service charge, for three (3) twelve drop annunciators. The Subscriber expressed strong objection to such a charge.

4/9 rtw took copy to talk to Rynch (Handwritten)

[fol. 6383] As I explained to yourself, this Subscriber still maintains two watchmen per shift, who make rounds of the plant approximately every two hours.

If they should install a proprietary local WF Alarm System at this time, at a later date for economy reasons, with the approval of their insurance carriers which I sincerely believe wouldn't be too difficult to obtain if pressure were applied, they would be in a position to eliminate the Central Station WF Alarm System now in operation.

With these factors involved, I thought it might be well for me to ask you for your comment, prior to my submittal of a formal quote. I sincerely believe they will refuse to consider an additional annual service charge of $1,000.00.

Your advice will be appreciated.

John T. Lynch, Sales Representative.

JTL:ej

[fol. 6384] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D62

CHICAGO, ILLINOIS

March 12, 1957.

Mr. L. J. O'Brien
General Sales Manager
New York

Marshall Field and Co., Park Forest, Illinois

We have been requested by the above subscriber to furnish utrasonic service for their basement area in the above location. The present burglar alarm system on all exterior doors is direct-connected to the Park Forest Police Department. Park Forest is approximately 17 miles from the Englewood Central Station and 12 miles from the burglar alarm boundary.

The only possible way to satisfy their request and to keep a local alarm competitor out of this location is to furnish modified central station ultrasonic service. Messrs. Sapp and Highstone have no objection to this service. However, Mr. Highstone is of the opinion that we should have managements approval before proceeding since the exterior doors are direct-connected rather than connected to our Central Station. Fields officials are satisfied with the direct-connection and insist that we do not make any changes in the present system.

May we have your early approval to furnish modified ultrasonic service for this location.

Lyle B. Straus, District Sales Manager.

LBS:HMS

CC: Mr. R. J. Highstone, Mr. Ray Sapp, Mr. J. D. Grinis.

OK on basis of conditions discussed. J.B.R. (Handwritten)

IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D75(b)

Underwriters' Laboratories, Inc.
Accredited Central Stations by Date of Approval

Company	City	1945 and Prior	'46	'47	'48	'49	'50	'51	'52	'53	'54	'55	'56	'57	'58	'59	'60	'61	'62	'63
Alarm Signal Co. of Texas	Houston																		X	
Albany Protective Service	Albany			X																
American Alarm Co., Inc.	Indianapolis																X			
American Burglar Alarm Co.	San Francisco	X																		
American Fire Dispatch	Los Angeles																	X		
Automatic Alarm Corp.	Minneapolis														X					
Bell Burglar Alarms	Philadelphia																			X
Brink's Signal Co.	Chicago																			X
Wm. J. Burns Intl. Det. Agency	Chicago																		X	
Call's Central Station Alarms	Boston													X						
Central Alarm, Ltd.	Honolulu						X													
Central Office Alarm Co.	New York																X			
Central Station Alarms	Shreveport																	X		
Central Station Signals	New York					X														
Central Watch Service	Chicago					X														
Damon Alarm Corp.	Kansas City																			X
Dayton Electronics Alarm	Dayton													X						
Electro Protective Corp.	Newark														X					
National Protective Corp.	Baltimore																	X		
Federal Engineering Co., Inc.	Washington									X										
Fidelity Electronic	Pittsburgh																	X		
Granite State Alarm	Manchester															X				
Kedzie-Kane Alarm	Chicago										X									
McCane-Sondock Det. Agency	Houston				X															
Merchant's Police Signal	Milwaukee			X																
Michigan Still Alarm Co.	Detroit											X								
Morse Signal Devices	Cleveland				X															
Morse Signal Devices	Los Angeles										X									
Newark District Tel. Co.	Newark	X																		
Owl Protective Co., Inc.	Philadelphia	X																		
Potter Electric Sig. Co.	St. Louis	X																		

[fol. 6386] Underwriters' Laboratories, Inc. Central Station by Date of Approval

Company	City	1945 end Prior	'46	'47	'48	'49	'50	'51	'52	'53	'54	'55	'56	'57	'58	'59	'60	'61	'62	'63
Potter Electric Sig. Co.	Cincinnati														X					
Protection Eng. Corp.	Los Angeles											X								
Reliance Protective Inc.	Tulsa															X				
Rhode Island E. P. Co.		X																		
Robinson Protective Alarm Co.	Philadelphia														X		X			
Sentinel Alarm Corp.	Philadelphia																			
Smith Det. Agency	Dallas	X																		
Standard Alarm Co.	Los Angeles																		X	
United States B. A. Co.	Los Angeles																		X	
Central Alarm	Phoenix								X											
Central Alarm	Tucson													X						
		6		2	2	2	1		1	1	2	2		3	4	2	3	4	4	3
Reliance Alarm Co.	Detroit	X*																		
General Alarm Corp.	Boston	XX**																		

* Central Station Approval ended 1947.
** Central Station Approval ended 1956.

[fol. 6387] IN UNITED STATES DISTRICT COURT

DEFENDANTS' EXHIBIT D75(e)

MANUAL OF BURGLARY INSURANCE

2. BROAD FORM PERSONAL THEFT COVERAGE (Continued)

2.6 Policy Amendments (Continued)

2.62 Property Damage Discount
★ (Policy Form Statistical Code 01)

50% — From the "a and b divided coverage" Coverage A rates for insurance limited to cover property damage only to the dwelling, including plumbing, heating, refrigerating, electric, gas and water fittings and fixtures contained therein, but excluding the contents thereof. The minimum premium per premises is that in rule 2.51 but not less than $5. annually. Use standard endorsement B 103.

2.63 Burglary Only Discount
★ (Policy Form Statistical Code 01)

20% — For Coverage A if such coverage is limited to burglary only. Use standard endorsement B 104. (Coverage B shall not be written with this coverage.)

2.64 $15 Deductible Discount
★ Policy Form Statistical Codes:
Coverage A-01
Coverage B-03

15% — On the 1st $1,000 rates for Coverage A, except "specific", and "a and b combined or divided coverage" Coverage B, if provided, where a $15 deductible is applicable to each loss under such coverages on a policy or endorsement providing at least $1,000 insurance under "a" property or "b" property, or both combined, of the "a and b divided coverage" or "a and b combined coverage" forms. Use standard endorsement B 105.

2.65 Burglar Alarm Discount

10% — For Coverage A only for either a central station or a local burglar alarm system installed and maintained on that part of the dwelling occupied exclusively by the insured, provided that such alarm system protects all accessible openings therein and that the local alarm system gong is located on the outside of the building.

2.66 Money And Securities
★ (Policy Form Statistical Code 06)

The limits of insurance on money and securities for Coverage A and Coverage B may be increased at the following rates. Use standard endorsement B 106.

	Annual rates per $100	
	Money	Securities
Coverage A	$3.	$2.25
Coverage A — burglary only	2.40	1.80
Coverage B	3.	2.25

★ Change effective January 1, 1961 Revised to November 2, 1960

BURGLARY MANUAL

[fol. 6388a]

DISCOUNTS (Continued)

10. WATCHMAN DISCOUNT (Burglary)

No discount shall be allowed for more than three watchmen at any one location.

30%—For bank burglary insurance for each private watchman employed exclusively by the assured, who will be on duty within the building in which the premises of the assured are located at all times between the hours beginning at 7 P.M. and ending at 7 A.M., when said premises are not regularly open for business, and who signals at least hourly in the assured's premises to a central station located outside the assured's premises or to a police station provided there is a regular policeman on duty therein at all times.

15%—For bank burglary insurance for each such watchman who does not signal to an outside station, but who registers at least hourly on a watchman's clock in the assured's premises.

10%—For bank burglary insurance for each such watchman who does not signal to an outside station or register on a watchman's clock.

If such watchman is not on duty at all times between the hours beginning at 7 P.M. and ending 7 A.M., deduct from the above discounts applicable to a similar full time watchman, the following percentages for each hour or fraction thereof which the watchman is not on duty.

4% Central Station
2% Clock
1⅓% Non Registering

Examples:

If a non registering watchman is on duty from 7 P.M. to 5:30 A.M., deduct 2⅔%, leaving a net discount of 7⅓%.

If a central station watchman is on duty from 8 P.M. to 5 A.M., deduct 12%, leaving a net discount of 18%.

One half the regular discount shall be allowed for any such watchman who, not more than once each hour and then only for a short period of time, leaves the building containing the assured's premises during the prescribed hours of duty.

Five sixths the regular discount shall be allowed for any such watchman who registers or signals every two hours.

Two thirds the regular discount shall be allowed for any such watchman who registers or signals every three hours.

If any such watchman registers or signals at intervals greater than three hours, the non registering discount is applicable.

One third the regular discount shall be allowed for any such watchman who is employed by the building owner instead of exclusively by the assured.

Revised to October 29, 1958

[fol. 6388b]

DISCOUNTS (Continued)

13. SAFE AND VAULT ALARM SYSTEM DISCOUNT (Burglary)

For bank burglary insurance, if the safe or vault is protected with an approved burglar alarm system installed by one of the ★ companies listed on the territorial pages for the state in which the alarm company operates, and the assured holds an unexpired Underwriters' Laboratories, Inc. certificate, the following discounts shall be allowed. The classification on the certificate governs the discount applicable.

INSTALLATION	Class A	Class B	Class C
Complete System protecting the top, bottom, all sides and outer door(s) of the safe or vault and connected with an outside central station or with a loud sounding gong or siren on the outside of the building....	65%	55%	50%
Partial System protecting the locking or bolt mechanism, or the lining of the outer door(s) (but not attached to lining of safe or vault walls) and connected with an outside central station or with a loud sounding gong or siren on the outside of the building.....	35%	25%	20%

APPROVED BURGLAR ALARM COMPANIES

★ The companies installing approved local gong or siren burglar alarms or central station burglar alarms for protecting safes and vaults are listed on the territorial pages for the state in which the alarm company operates.

Companies installing approved local gong or siren burglar alarms for safes and vaults are designated "BL".

Companies installing central station burglar alarms for safes and vaults are designated "BCS".

The assured must hold an unexpired Underwriters' Laboratories, Inc. certificate because some companies install both approved and unapproved systems.

★

DISCOUNTS (Continued)

14. HOLDUP ALARM AND PROTECTION SYSTEM DISCOUNT (Robbery)

10%—For bank robbery insurance for an approved semi-automatic holdup alarm and protection system listed hereunder provided the assured holds an unexpired Underwriters' Laboratories, Inc. certificate. Use standard endorsement B 207.

Approved Holdup Alarm and Protection Systems

American District Telegraph Co. and Controlled Companies (Controlled Companies are marked with an * on the state territorial pages).

O. B. McClintock Division, Diebold, Inc., Canton, Ohio

15. GUARD DISCOUNT (Robbery)

10%—For bank robbery insurance for each guard (not exceeding three at any one location) with no other duties, who is on duty within the premises, or at the door thereof, at all times when the premises are regularly open for business.

16. BANDIT RESISTING ENCLOSURE DISCOUNT (Robbery)

20%—For bank robbery insurance for an approved bandit resisting enclosure listed hereunder provided the assured holds an unexpired Underwriters' Laboratories, Inc. certificate. Use standard endorsement B 208.

Approved Bandit Resisting Enclosures

Chicago Bank Equipment Co., Chicago, Ill.
Chicago Bullet-Proof Equipment Co., Chicago, Ill.
Lenander Fixture Co., Joliet, Ill.
O. B. McClintock Division, Diebold, Inc., Canton, Ohio
Mosler Safe Co., Hamilton, Ohio

★

8. DIVIDED COVERAGE FOR SPECIAL CLASSIFICATIONS

★ Risks rated under the classifications on pages 305-328 marked with an asterisk (*) or double section mark (§§) may be insured on a divided coverage basis. The merchandise is divided into two or three groups and a separate amount of insurance applied to each: class (a) consisting of the highest rated merchandise, class (b) consisting of the next lower rated merchandise, and class (c) consisting of the lowest rated merchandise.

If insurance is written under class (a) at least an equal amount must be written under classes (b) or (c), or both combined. The coinsurance percentage and coinsurance limit for the merchandise insured under each class are included thereunder, and the coinsurance clause applies separately to each class.

The premium for each class is computed at the rates for the merchandise insured thereunder, applying the initial thousands rates for the highest rated merchandise and the successive thousands rates for the next lower rated, and so on. Use standard endorsement B 311.

DISCOUNTS

9. WATCHMAN DISCOUNT

No discount shall be allowed for more than three watchmen at any one premises.

30%—For each private watchman employed exclusively by the insured, who will be on duty within the premises of the insured at all times when said premises are not regularly open for business, and who will make at least hourly rounds and signal at least hourly in the insured's premises to a central station located outside the insured's plant or to a police station provided there is at least one regular policeman on duty therein at all times.

15%—For each such watchman who does not signal to an outside station, but who registers at least hourly on a watchman's clock in the insured's premises.

10%—For each such watchman who does not signal to an outside station or register on a watchman's clock.

One half the regular discount shall be allowed for any such watchman who is not on duty during the daytime of Saturdays or one other weekday when the premises are not open for business.

[fol. 6388e]

DISCOUNTS (Continued)

10. PREMISES ALARM SYSTEM DISCOUNT

★ The companies referred to on page 336 install burglar alarm systems protecting the premises. The alarm systems are designated number 1, 2 or 3 in accordance with the following definitions of the extent of protection.

Installation No. 1. Alarm system protecting completely all windows, doors, transoms, skylights and other openings leading from the premises, and all ceilings, floors, and hall, party, partition and building walls enclosing the premises, except building walls which are exposed to street or public highway, and except that part of any building wall which is at least two stories above the roof of an adjoining building.

Installation No. 2. Alarm system protecting with traps all inaccessible windows; with screens (or foils and traps) all accessible windows (except stationary show windows), doors, transoms, skylights and other openings leading from the premises, and also

(a) protecting all ceilings and floors not constructed of concrete, and all hall, party and partition walls enclosing the premises, or

(b) providing a network of invisible beams to subdivide the floor space of each floor or separate section of the protected area into three approximately equal areas, and more where necessary to provide at least one subdivision per 1,000 sq. ft. of floor space,

or an alarm system protecting with supervisory contacts only all movable openings leading from the premises, and providing a system of invisible radiation to all sections of the enclosed area, so as to detect movement of a person walking not more than four consecutive steps at a rate of one step per second—such four step movement shall constitute a "trial" and a sufficicnt number of detection units shall be installed so that, upon test, an alarm will be initiated in at least three out of every four such consecutive "trials" made moving progressively throughout the protected area.

[fol. 6388f]

DISCOUNTS (Continued)

10. PREMISES ALARM SYSTEM DISCOUNT (Continued)

Installation No. 3. Alarm system (a) protecting with screens (or foils and traps) all accessible windows (except stationary show windows), and all doors, transoms, skylights and other openings leading from the premises, or (b) protecting with contacts only all movable accessible openings leading from the premises and providing one or more invisible rays or channels of radiation with the minimum overall length of the rays or radiation equivalent to the longest dimensions of the area or areas so as to detect movement through the channel when a person walks across each channel at any point at the rate of one step per second, or (c) protecting with contacts all doors leading from the protected area or areas and providing a system of invisible radiation to all sections of the enclosed area so as to detect four-step movement as defined in the last paragraph of Installation No. 2 above.

If the premises are protected with an approved burglar alarm system installed by one of the companies listed on the state territorial pages and the insured holds an unexpired Underwriters' Laboratories, Inc. certificate the following discounts shall be allowed. The classification on the certificate governs the discount applicable.

BURGLARY MANUAL

STOCK

	Installation	Stat.© Class. Code	Class A		Class B	
			Grade and Below Grade Floors	Above Grade Floor	Grade and Below Grade Floors	Above Grade Floor
Central Station with Keys	1	(--1-)	60	70	50	60
	2	(--2-)	50	60	40	50
	3	(--3-)	40	45	30	40
Central Station without Keys	1	(--1-)	50	55	45	50
	2	(--2-)	40	45	35	40
	3	(--3-)	30	35	25	30
Local	2	(--5-)	30	35	25	30
	3	(--6-)	20	25	15	20

Note:

(1) The reference to "keys" means that the central station alarm company located outside of the insured's premises has or has not keys to the insured's premises.

(2) The local system requires that a loud sounding gong or siren be located on the outside of the building containing the insured's premises.

© Number in parenthesis represents the third digit of the Stat. Class. Code.

Revised to June 20, 1962

[fol. 6388g]

DISCOUNTS (Continued)

12. TEAR GAS SYSTEM DISCOUNT

The following discounts shall be allowed where the safe or vault is equipped with an approved tear gas system listed hereunder provided the insured holds an unexpired Underwriters' Laboratories, Inc. certificate. Use standard endorsement B 402 or B 402/502.

20%—Complete system protecting the top, bottom, all sides and outer door(s) of the safe or vault.

10%—Partial system protecting (a) the combination and connections to the combination lock with or without protection on the full surface of the outer door(s) of a safe, or (b) the combination and connections to the combination lock and the full surface of the outer door(s) of a vault.

Approved Tear Gas Systems

Federal Laboratories, Inc., Pittsburgh, Penn.
Lake Erie Chemical Co., Cleveland, Ohio.

13. WATCHMAN DISCOUNT

No discount shall be allowed for more than three watchmen at any one premises. Use standard endorsement B 402 or B 402/502.

30%—For each private watchman employed exclusively by the insured, who will be on duty within the premises of the insured at all times when said premises are not regularly open for business, and who will make at least hourly rounds and signal at least hourly in the insured's premises to a central station located outside the insured's plant or to a police station provided there is at least one regular policeman on duty therein at all times.

15%—For each such watchman who does not signal to an outside station, but who registers at least hourly on a watchman's clock in the insured's premises.

10%—For each such watchman who does not signal to an outside station or register on a watchman's clock.

One half the regular discount shall be allowed for any such watchman who is not on duty during the daytime of Saturdays or one other weekday when the premises are not open for business.

★14. PREMISES ALARM SYSTEM DISCOUNT—FORCIBLE ENTRY INTO PREMISES AND SAFE

If the premises are protected with a burglar alarm system installed by one of the approved companies listed on the state territorial pages as applying to the mercantile open stock section, and the insured holds an unexpired Underwriters' Laboratories, Inc. certificate, the **Above Grade Floor** discounts in the mercantile open stock section shall be allowed. The classification on the certificate governs the discount applicable. Use standard endorsement B 409 or B 409A and B 402 or B 402/502.

★ Change effective November 2, 1960

[fol. 6388h]

DISCOUNTS (Continued)

15. SAFE AND VAULT ALARM SYSTEM DISCOUNT

If a safe or vault is protected with an approved burglar alarm system installed by one of the approved companies listed on the state territorial pages and the insured holds an unexpired Underwriters' Laboratories, Inc. certificate, the following discounts shall be allowed. The classification on the certificate governs the discount applicable. Use standard endorsement B 402 or B 402/502.

INSTALLATION	CLASS A	CLASS B
Complete System protecting the top, bottom, all sides and outer door(s) of the safe or vault and connected with:		
(1) an outside central station		
Where keys to insured's premises are in possession of the alarm company	70%	60%
Where keys to insured's premises are not in possession of the alarm company	52%	45%
(2) a loud sounding gong or siren on the outside of the building	35%	30%
Partial System protecting the locking or bolt mechanism, or the lining of the outer door(s) (but not attached to lining of safe or vault walls) and connected with:		
(1) an outside central station		
Where keys to insured's premises are in possession of the alarm company	30%	25%
Where keys to insured's premises are not in possession of the alarm company	27%	22%
(2) a loud sounding gong or siren on the outside of the building	25%	20%

SAFE

BURGLARY MANUAL

[fol. 6388i]

DISCOUNTS (Continued)

10. GUARD DISCOUNT (Robbery Inside The Premises)

10%—For "robbery inside the premises" insurance for each guard (not exceeding three at any one premises) with no other duties who is on duty within the premises or at the door thereof at all times when the premises are regularly open for business. A store detective shall not qualify as a guard. If a guard has been considered as "at least one other employee on duty" in establishing the rate, no discount shall be allowed for such ★guard under this rule. Use standard endorsement B 502 or B 402/502.

11. PUSH BUTTON ALARM DISCOUNT (Robbery Inside The Premises)

10%—For "robbery inside the premises" insurance for a push button robbery alarm system connecting with a central station, or with a police station provided there is at least one regular policeman on duty at all times, or with a gong inside or outside ★the premises. Use standard endorsement B 502 or B 402/502.

12. HOLDUP ALARM AND PROTECTION SYSTEM DISCOUNT (Robbery Inside The Premises)

20%—For "robbery inside the premises" insurance for an approved semiautomatic holdup alarm and protection system listed hereunder provided the insured holds an unexpired Underwriters' Laboratories, Inc. certificate. Use standard endorsement B 502 or B 402/502.

Approved Holdup Alarm and Protection Systems

American District Telegraph Co. and Controlled Companies (Controlled Companies are marked with an * on the state territorial pages)

O. B. McClintock Division, Diebold, Inc., Canton, Ohio

13. MESSENGER BAG, SAFE, SATCHEL OR WALLET DISCOUNT (Robbery Outside The Premises—Paymaster Robbery)

Only one of the discounts in this rule is applicable to any ★one messenger. Use standard endorsement B 502 or B 402/502.

10%—For "robbery outside the premises" and paymaster robbery insurance if the insured property is conveyed, (1) in a locked messenger safe or chest, or (2) in a satchel or wallet lined with steel or wire mesh and attached by a steel or wire strap or chain to the messenger or to the vehicle in which the property is conveyed.

[fol. 6388j]

1. MONEY AND SECURITIES BROAD FORM POLICY (Continued)

1.6 Discounts (Continued)

1.6.4 Tear Gas System Discount (Inside)

The following discounts shall be allowed where the safe or vault is equipped with an approved tear gas system listed hereunder provided the insured holds an unexpired Underwriters' Laboratories, Inc. certificate.

5%—**Complete system** protecting the top, bottom, all sides and outer door(s) of the safe or vault.

2½%—**Partial system** protecting (a) the combination and connections to the combination lock with or without protection on the full surface of the outer door(s) of a safe, or (b) the combination and connections to the combination lock and the full surface of the outer door(s) of a vault.

Approved Tear Gas Systems
Federal Laboratories, Inc., Pittsburgh, Penn.
Lake Erie Chemical Co., Cleveland, Ohio.

1.6.5 Watchman Discount (Inside)

No discount shall be allowed for more than three watchmen at any one location.

15%—For loss inside the premises insurance for each private watchman employed exclusively by the insured, who will be on duty within premises of the insured at all times when said premises are not regularly open for business, and who will make at least hourly rounds and signal at least hourly in the insured's premises to a central station located outside the insured's plant, or to a police station provided there is at least one regular policeman on duty therein at all times.

7½%—For loss inside the premises insurance for each such watchman who does not signal to an outside station but who registers at least hourly on a watchman's clock in the insured's premises.

5%—For loss inside the premises insurance for each such watchman who does not signal to an outside station or register on a watchman's clock.

One half the regular discount shall be allowed for any such watchman who is not on duty during the daytime of Saturdays or one other weekday when the premises are not open for business.

1.6.6 Guard Discount (Inside)

2½%—For loss inside the premises insurance for each guard (not exceeding three at any one premises) with no other duties who is on duty within premises or at the door thereof at all times when the premises are regularly open for business. A store detective shall not qualify as a guard.

[fols. 6388k-6390]

1.6 Discounts (Continued)

1.6.7 Push Button Alarm Discount (Inside)

2½%—For loss inside the premises insurance for a push button robbery alarm system connecting with a central station, or with a police station provided there is at least one regular policeman on duty at all times, or with a gong within or outside the premises.

1.6.8 Holdup Alarm And Protection System Discount (Inside)

5%—For loss inside the premises insurance for an approved semiautomatic holdup alarm and protection system listed hereunder provided the insured holds an unexpired Underwriters' Laboratories, Inc. certificate. For list of approved systems see page 515, rule 12.

1.6.9 Burglar Alarm Discount (Inside)

For loss inside the premises insurance, if the premises, safe or vault are protected with an approved burglar alarm system installed by one of the companies referred to in the bank, open stock or safe sections, and the insured holds an unexpired Underwriters' Laboratories, Inc. certificate, the following discounts shall be allowed. The classification on the certificate governs the discount applicable.

Kind of Alarm System	Type of Installation	Connecting With	Class A		Class B	
			Alarm Company Does Have Keys to the Premises	Alarm Company Does *Not* Have Keys to the Premises	Alarm Company Does Have Keys to the Premises	Alarm Company Does *Not* Have Keys to the Premises
Premises	1	Central Station	35%	26%	30%	22%
Premises	2	Central Station	30%	23%	25%	20%
Premises	2	Gong or Siren	17%	17%	15%	15%
Premises	3	Central Station	17%	15%	15%	12%
Premises	3	Gong or Siren	12%	12%	10%	10%
Safe or vault	Complete	Central Station	35%	26%	30%	22%
Safe or vault	Complete	Gong or Siren	17%	17%	15%	15%
Safe or vault	Partial	Central Station	15%	13%	12%	11%
Safe or vault	Partial	Gong or Siren	12%	12%	10%	10%

1.6.10 Private Conveyance Discount (Outside)

10%—For loss outside the premises insurance if the messenger uses a conveyance provided for the exclusive use of the messenger and his guards, if any, during the entire trip.